

New Jersey Institute of Technology

Econ 266-002 Macroeconomics

Semester: Spring 2019

Instructor: Dr. Porchiung Benjamin Chou

Days/Times: Monday 10:00 am – 11:20 am & Wednesday 10:00 am – 11:20 am

Classroom: ECEC 100

Office: Central Avenue Building, Room 4036

Telephone: 973-642-4177

Office Hours: Thursday 2:00 pm – 5:00 pm, and by appointment for other times

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Course Description:

This is a self-contained introductory macroeconomics. Students do not need to take Microeconomics (Econ 265) before this course. Some micro-foundation, however, will be introduced, such as introduction (Chapters 1-2) and markets (Chapters 3-4), before the topics in macroeconomics are covered. As this course provides students with a broad range of models in macroeconomics, including those that are beyond the textbook, it is critical that students attend each class, preview each chapter, and complete the online assignments before coming to the class.

Aplia with the Digital Textbook:

Aplia, which has a digital version of the textbook, is used for this course. Students do not need to buy the additional physical textbook unless they want to have one. However, having a physical textbook may make it easier for some students to follow the lectures in the classroom. The textbook is *Macroeconomics for Today*, 10th edition, by Irvin B. Tucker, Cengage Learning.

Online Assignments:

The online assignments are due 10:00 a.m. before each class. Students can finish the assignment at any time before the deadline. There is no extension of the deadline unless there are extreme situations. Students can try most of the questions in Aplia up to three times. The score of each

question is the average of all three attempts. Any assignments completed after the deadlines will receive zero points.

How to access your Aplia course

ECON 266-002 Spring 2019

Instructor: Porchiung Chou

Start Date: 01/22/2019

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In the last 15 years, more than two billion answers have been submitted through Aplia, the premier online assignment solution. Millions of students use Aplia to better prepare for class and for their exams. Join them today!

Registration

1. Connect to <https://www.cengage.com/dashboard/#/course-confirmation/T6Q7-3YSJ-57K3/initial-course-confirmation>
2. Follow the prompts to register for your Aplia course. Please use your NJIT email address to register.

System Check

To check whether your computer meets the requirements for using Aplia, go to

<https://www.aplia.com/support/sysreq.jsp>

Prerequisite:

Students are expected to have some mathematical foundations before taking this course, including the familiarity of high-school algebra.

Supplemental Materials:

Students can watch free videos, such as ACDC videos to improve their understanding.

<https://www.bing.com/videos/search?q=acdc+economics+videos+youtube&view=detail&mid=B E6F6BDBB518DC68C391BE6F6BDBB518DC68C391&FORM=VIRE>.

Exams & Quizzes:

There are two midterms and one final exam. The materials in the exams are not cumulative, but are related to the previous materials. If a student must miss an exam due to unavoidable reasons, the student needs to contact me as soon as possible. If I do not hear from the student in advance, there can be penalty for the make-up exam.

There will be quizzes in most of the classes. Some questions in the quizzes are similar to the Sample Quiz questions at the end of each Chapter, while others are calculation questions. Some materials will be immediately tested during the same class after they are covered. To do well in the quizzes, students need to preview each Chapter, including the multiple-choice questions before attending each class, pay attention to the class, and review each Chapter that has been covered. Although make-up quizzes are usually allowed before quizzes are returned, if a student misses more than *five* quizzes, the students will lose the privilege to make up for any more missed quizzes.

Grading:

The total grade is calculated based on the following percentages: Midterm Exam I (20%), Midterm Exam II (20%), Final Exam (20%), Quizzes in the classes (20%), Aplia's online assignments (about 20%), and Class attendance and participation (about 5%). Most importantly, all the efforts must be made during the semester. There is no extra assignment for students to improve their grades after the students take the final exam.

The grade (G) of a student is determined by the sum (S) of all these scores in the following way:

If $S < 55\%$, $G = F$.

If $55\% \leq S < 65\%$, $G = D$.

If $65\% \leq S < 75\%$, $G = C$.

If $75\% \leq S < 81\%$, $G = C+$.

If $81\% \leq S < 87\%$, $G = B$.

If $87\% \leq S < 93\%$, $G = B+$.

If $93\% \leq S$, $G = A$.

Pre-communication:

It is important for the students to be pro-active. If you have any questions or difficulty in learning the materials, please come to see me as soon as possible during my office hours. If you cannot make it during my office hours, please e-mail me for an appointment for other times. There are also economics tutors available. Please contact me if you need help.

Honor Code:

“Academic Integrity is the cornerstone of higher education and is central to the ideals of this course and the university. Cheating is strictly prohibited and devalues the degree that you are working on. As a member of the NJIT community, it is your responsibility to protect your educational investment by knowing and following the academic code of integrity policy that is found at:

<http://www5.njit.edu/policies/sites/policies/files/academic-integrity-code.pdf>.

Please note that it is my professional obligation and responsibility to report any academic misconduct to the Dean of Students Office. Any student found in violation of the code by cheating, plagiarizing or using any online software inappropriately will result in disciplinary action. This may include a failing grade of F, and/or suspension or dismissal from the university. If you have any questions about the code of Academic Integrity, please contact the Dean of Students Office at dos@njit.edu”

Approximate Course Outline:Week 1 (January 23)

Review of the Syllabus

Chapter 1: Introducing the Economic Way of Thinking

Week 2 (January 28 and January 30)

Appendix to Chapter 1: Applying Graphs to Economics

Chapter 2: Production Possibilities, Opportunity Cost, and Economic Growth

Chapter 3: Market Demand and Supply

Week 3 (February 04 and February 06)

Chapter 3: Market Demand and Supply

Chapter 4: Market in Actions

Week 4 (February 11 and February 13)

Chapter 5: Gross Domestic Product

The 1st exam (Part B)

The 1st exam (Part A)

Week 5 (February 18 and February 20)

Chapter 6: Business Cycles and Unemployment

Chapter 7: Inflation

Week 6 (February 25 and February 27)

Chapter 10: Aggregate Demand and Supply

Appendix to Chapter 10 – The Self-Correcting Aggregate Demand and Supply Model

Chapter 8: The Keynesian Model

Week 7 (March 04 and March 06)

Chapter 9: The Keynesian Model in Action

Chapter 11: Fiscal Policy

Week 8 (March 11 and March 13)

Chapter 12: The Public Sector

Chapter 13: Federal Deficits, Surpluses, and the National Debt

Week 9 (March 25 and March 27)

Chapter 13: Federal Deficits, Surpluses, and the National Debt

The 2nd exam (Part A or Part B)

The 2nd exam (Part A or Part B if needed)

Week 10 (April 01 and April 03)

Chapter 13: Federal Deficits, Surpluses, and the National Debt

Chapter 14: Money and Federal Reserve System

Week 11 (April 08 and April 10)

Chapter 15: Money Creation

Chapter 16: Monetary Policy

Week 12 (April 15 and April 17)

Appendix to Chapter 16: Policy Disputes Using the Self-Correcting Aggregate Demand and Supply Model

Chapter 17: The Phillips Curve and Expectations Theory

Week 13 (April 22 and April 24)

Chapter 18: International Finance

Week 14 (April 29 and May 01)

Chapter 18: International Finance

Chapter 19: Economics in Transition

Week 15 (May 06)

Chapter 20: Growth and Less-Developed Countries

Note: The course outline is subject to small changes. Although the sequence of the chapters will not change, some chapters can go longer or shorter than the class times listed above. Because of this, the exam dates are also subject to change, which is announced in the classroom. Students are responsible for showing up in every class to obtain the updated information and additional materials beyond the textbook that will also be tested in the exams.

Learning Goals/Outcomes:

To understand the concept of opportunity cost, and how to apply the marginal analysis to the decision making process to use resources efficiently.

To be able to apply market supply and demand curves to analyze different markets, and understand the differences between the movements and shifts of the demand and supply curves as well as the determinants that cause these changes.

To understand how GDP, unemployment rate, labor force participation rate, CPI, and inflation rate are calculated.

To understand the indicators of the business cycles and their relationships with the macroeconomic models.

To understand the traditional AD-AS model and the determinants that will shift the AD and AS curves.

To understand Lucas supply curve and the self-correcting AD-AS model.

To understand the approach of Keynesian economics and its policy implications for fiscal policy and monetary policy, including the multipliers for the fiscal policy.

To understand the budget formation process for the federal government, the current issue of the deficit/debt of the US, and whether we should worry about it.

To understand the definition of money, how money is created, money multiplier, and the Federal Reserve System of the USA.

To understand monetary policy from the perspectives of Keynesians and Monetarists.

To understand Okun's law, Phillips curve, how different expectations are formed, and the different schools of economic thoughts based on different assumptions.

To understand the balance of payment, and how the exchange rate is determined in the foreign exchange market under a floating exchange rate system.

To understand the determinants that change the exchange rates, and how the change of exchange rate can also impact these determinants.

To understand the (real) effectiveness of fiscal and monetary policies under the floating exchange rate and fixed exchange rate systems.

To understand the difference between the market economy and command economy, as well as the factors for countries to achieve economic growth and development.