

Economics 202: Principles of Macroeconomics
University of Montana
Department of Economics
Fall 2017

Instructor: Matt Taylor Email: matthew.taylor@mso.umt.edu
Office: Liberal Arts 406 Lecture: MWF 10:00–10:50, GBB 122
CRN: 70045 **Office Hours:** T 9:30-11:00 am, W 2:00-3:00 pm

TA: Michael Kernan TA's email: michael.kernan@umontana.edu
TA's Office: LA 410 TA's Office Hours: M 2:30-4 pm, W 2:30-4:30 pm, F 9-10:30 am

Course Description: This course is an introduction to macroeconomics. We will study the U.S. economy as a whole, learn the basic models economists use to understand the economy as a whole and become familiar with the terminology of macroeconomics. Macroeconomics focuses on output growth, unemployment, and inflation. We will learn about aggregate supply and demand, sources of economic growth, fiscal and monetary policies, the monetary system, and important policy debates.

Prerequisites: ECNS 201S: Principles of Microeconomics.

Textbook: Krugman & Wells, *Macroeconomics, 4th Ed.* The textbook is intended to complement the material presented in lecture. You will likely find the lectures to be more valuable if you read the relevant material in the book **before** it is presented in class.

Course Websites: We will be using two websites for this course [Moodle](#) and [Launchpad](#).

1. **Moodle:** I will post the syllabus, announcements, class slides, and review guides on Moodle
2. **Launchpad:** Homework assignments will be completed on Launchpad. You will also be able to track your overall score in the course on Launchpad.

To reduce the average cost of the text and online support material, I agreed to use the “all-inclusive” pricing option that the UM bookstore and publisher offer. This means that

you should access the course the first time through Moodle. The *Launchpad Access* on the Moodle webpage should allow you to connect to the course on Launchpad.

- The Launchpad course name is:
TAYLOR: Principles of Macroeconomics; FALL 2017, MWF 10:00-10:50 am
- The Launchpad course-specific url is:
<http://www.macmillanhighered.com/launchpad/krugmanwellsmacro4/6086128>

Grading Policy: The graded coursework will consist of homework assignments, four “midterm” exams, and a final exam.

Your final course grade will be determined as follows:

25% Homework
15% Midterm Exam #1 (Friday, 29 September 2017)
15% Midterm Exam #2 (Wednesday, 25 October 2017)
15% Midterm Exam #3 (Friday, 17 November 2017)
30% Final Exam (Friday, 15 December 2017 at 8:00 AM)

Exams: All exams are cumulative. **No makeup midterm exams will be given.** In the case of a missed midterm due to emergency situations, the student may be allowed to put the weight of the missed exam on the final exam, provided I am notified as soon as possible and verification of the emergency is provided to me by phone, voice mail, or email, no later than 24 hours after an exam. A missed final due to an unanticipated emergency may be handled with an “incomplete” for the course at my discretion, and in accordance with University policy. **Do not take this class if you know that you cannot make one of the scheduled exams.**

Homework: Homework will be completed online at the Launchpad website. Homework will be **due by 11:00PM** on the assigned due date. After 11:00PM the website will not allow assignments to be submitted. **Late homework will not be accepted.** The assignment with the **lowest percentage score will be dropped** from your homework grade.

There will be two types of graded homework assignments:

1. “Graded Homeworks”: conventional online assignments
2. “Learning Curve” assignments: you answer enough questions to reach a certain point total—assignment is scored 0 or 100

Attendance: The textbook is not a substitute for lectures and you will be held responsible for all topics covered in lectures. You may not use my office hours as a substitute for class time.

Students with Disabilities: If you are a student with a disability who will require reasonable program modifications in this course, please meet with Disability Services for Students in Lommasson 154 for assistance in developing a plan to address program modifications. If you are already working with Disability Services arrange to meet with me during my office hours to discuss reasonable modifications that may be necessary. For more information, visit the Disability Services website at <http://www.umt.edu/disability>.

Drops and Credit/No-Credit: The University has deadlines and policies applicable to dropping the course and changing your grading option. Request to make changes must be in accordance with University policy and deadlines. **In accordance with University policy, students taking the course credit/no credit must earn a D- or better to receive credit.**

Academic Integrity: All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University. All students need to be familiar with the Student Conduct Code. The Code is available for review online at http://www.umt.edu/vpsa/policies/student_conduct.php.

Outline of Course Material: The following is a tentative schedule of lectures and associated reading from the text. Additional readings will be assigned throughout the course. The schedule should be viewed as tentative and may be subject to change throughout the term.

- Introduction: The Ordinary Business of Life

- First Principles (Chapter 1)
- Economics Models: Trade-offs and Trade (Chapter 2)
- Graphs in Economics (Chapter 2, Appendix)
- Supply and Demand (Chapter 3, Chapter 5 Appendix)
- Macroeconomics: The Big Picture (Chapter 6)
- GDP and the CPI (Chapter 7)
- Unemployment and Inflation (Chapter 8)
- Long-Run Economic Growth (Chapter 9)
- Savings, Investment Spending, and the Financial System (Chapter 10)
- Income and Expenditure (Chapter 11)
- Aggregate Demand and Aggregate Supply (Chapter 12)
- Fiscal Policy (Chapter 13)
- Money, Banking, and the Federal Reserve System (Chapter 14)
- Monetary Policy (Chapter 15)
- Inflation, Disinflation, and Deflation (Chapter 16)
- International Trade (Chapter 5)
- Open-Economy Macroeconomics (Chapter 19)

Students who successfully complete this course will have:

1. A solid understanding of macroeconomic issues and coordination of economic activity
2. Exposure to aggregation issues and basic considerations associated with modeling an economy, including GDP, inflation, unemployment, consumption, saving, investment, aggregate supply and aggregate demand, and the issues associated with measuring these variables

3. An understanding of the monetary system and the institutions and processes that affect the money supply
4. An understanding of various macroeconomic theories and policies, including monetary policy, fiscal policy, and the rational expectations model
5. Exposure to open economy issues

The Last Word: Many of you will find this class challenging. It is imperative that you keep up with the material as we move through it. **If you find yourself struggling early in the course, come to my office hours to get the extra help you may need. Do not wait until the end of the term to seek help – it will be too late.**