

# EC 111 - Honors Prin. Of Macroeconomics

Fall, 2011, Section 009  
3 Credit Hours  
Primary Instructor: Karl David Boulware

## Office Hours

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Karl David Boulware  
Office: 341A BD  
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Office hours: TBD  
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## Prerequisites

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### From the Student Records System:

EC 110 (undergrad) with a minimum grade of C-.

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## Required Texts

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### UA Supply Store Textbook Information:

- MANKIW / PRINCIPLES OF MACROECONOMICS  
(Required)

## Course Description

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*This course will cover the following chapters from the assigned textbook:*

- Ch 1-9
  - foundations of microeconomic analysis
- Ch 10-23
  - current accepted macroeconomic theories
  - policy recommendations
  - related historical perspectives

*Economics is a social science. Microeconomics studies the choice of individuals (people and firms). Macroeconomics also studies this same choice, but at the aggregate.*

*With micro-founded macroeconomics one can attempt to understand revealed preference through the allocation of scarce resources. We will use the scientific method to identify causal relationships and better understand social phenomena with mathematical modeling.*

## Course Outline

#	DATE	DAY	CLASS ACTIVITY	TEXT CHAPTER	TOPICS	NOTE	
1	24-Aug	Wed	Lecture 1	1	Introduction/ Ten Principles of Economics	<b>Classes Begin;</b> Part 1 - <u>Introduction</u> : The study of Economics is Guided by a few big ideas.	
2	26-Aug	Fri	Lecture 2	2	Thinking Like an Economist	Economists view the world as both scientists and policy makers.	
3	29-Aug	Mon	Lecture 3	2/3	Thinking Like an Economist/ Interdependence and the Gains from Trade	The theory of comparative advantage explains how people benefit from economic interdependence.	
4	31-Aug	Wed	Lecture 4	3	Interdependence and the Gains from Trade	<b>Last day to register or add a course.</b> <b>Last day to drop a course without a grade of "W"</b>	
5	2-Sep	Fri	<b>TEST 1</b>				
6	5-Sep	Mon	<b>NO CLASS</b>			<b>Holiday - Labor Day</b>	
7	7-Sep	Wed	Lecture 5	4	The Market Forces of Supply and Demand	Part 2 - <u>How Markets Work</u> : How does the economy coordinate interdependent economic actors? Through the market forces of supply and demand.	
8	9-Sep	Fri	Lecture 6	4	The Market Forces of Supply and Demand		
9	12-Sep	Mon	Lecture 7	5	Elasticity and Its Application		
10	14-Sep	Wed	Lecture 8	5	Elasticity and Its Application		
11	16-Sep	Fri	Lecture 9	6	Supply, Demand, and Government Policies	The tools of supply and demand are put to work to examine the effects of various government policies.	
12	19-Sep	Mon	Lecture 10	6	Supply, Demand, and Government Policies		
13	21-Sep	Wed	<b>TEST 2</b>				
14	23-Sep	Fri	Lecture 11	7	Consumers, Produces, and the Efficiency of Market	Part 3 - <u>Markets and Welfare</u> : Why is the equilibrium of supply and demand desirable for society as a whole? The concepts of consumer and producer surplus explain the efficiency of markets, the	
15	26-Sep	Mon	Lecture 12	8	Application: The Cost of Taxation		

						costs of taxation, and the benefits of international trade.	
16	28-Sep	Wed	<b>TEST 3</b>				
17	30-Sep	Fri	Lecture 13	10	Measuring a Nation's Income	Part 4 - <u>The Data of Macroeconomics</u> : The overall quantity of production and the overall price level are used to monitor developments in the economy as a whole.	
18	3-Oct	Mon	Lecture 14	10/11	Measuring a Nation's Income/ Measuring the Cost of Living		
19	5-Oct	Wed	Lecture 15	11	Measuring the Cost of Living		
20	7-Oct	Fri	<b>TEST 4</b>				
21	10-Oct	Mon	Lecture 16	12	Production and Growth		
22	12-Oct	Wed	Lecture 17	12	Production and Growth	<b>Midterm grade submission (12:00 midnight)</b>	
23	14-Oct	Fri	Lecture 18	13	Saving, Investment, and the Financial System	Part 5 - <u>The Real Economy in the Long Run</u> : These chapters describe the forces that in the long run determine key real variables, including growth in GDP, saving, investment, real interest rates, and unemployment.	
24	17-Oct	Mon	Lecture 19	13	Saving, Investment, and the Financial System		
25	19-Oct	Wed	Lecture 20	14	The Basic Tools of Finance		
26	21-Oct	Fri	Lecture 21	15	Unemployment		
27	24-Oct	Mon	Lecture 22	15	Unemployment		
28	26-Oct	Wed	<b>TEST 5</b>				
29	28-Oct	Fri	<b>NO CLASS</b>				<b>Mid-Semester Break (classes dismissed)</b>
30	31-Oct	Mon	Lecture 23	16	The Monetary System	Part 6 - <u>Money and Prices in the Long Run</u> : The monetary system is crucial in determining the long-run behavior of the price level, the inflation rate, and other nominal variables.	
31	2-Nov	Wed	Lecture 24	16/17	The Monetary System/ Money Growth and Inflation	<b>Last day to drop a course with a grade of "W"</b>	
32	4-Nov	Fri	Lecture 25	17	Money Growth and Inflation		
33	7-Nov	Mon	<b>TEST 6</b>				
34	9-Nov	Wed	Lecture 26	20	Aggregate Demand and Aggregate Supply	Part 8 - <u>Short Run Economic Fluctuations</u> : The model of aggregate demand and aggregate supply explains short-run economic fluctuations, the short-run effects of	
35	11-Nov	Fri	Lecture 27	20	Aggregate Demand and Aggregate Supply		
36	14-Nov	Mon	Lecture 28	21	The Influence of Monetary and Fiscal Policy		

					on Aggregate Demand	monetary and fiscal policy, and the short-run linkage between real and nominal variables.	
37	16-Nov	Wed	Lecture 29	21/22	The Influence of Monetary and Fiscal Policy on Aggregate Demand/ The Short-Run Trade-off between Inflation and Unemployment		
38	18-Nov	Fri	Lecture 30	22	The Short-Run Trade-off between Inflation and Unemployment		
39	21-Nov	Mon	<b>TEST 7</b>				
40	23-Nov	Wed	<b>NO CLASS</b>				<b>Classes dismissed (UA - normal business hours)</b>
41	25-Nov	Fri	<b>NO CLASS</b>				Holiday - Thanksgiving
42	28-Nov	Mon	Lecture 40	23	Six Debates over Macroeconomic Policy	<b>Classes resume 7:00 AM;</b> Part 9 - <u>Final Thoughts</u> : A capstone chapter presents both sides of six major debates over macroeconomic policy.	
43	30-Nov	Wed	Lecture 41	9	Application: International Trade	Part 7 - <u>The Macroeconomics of Open Economies</u> : A nations economic interactions with other nations are described by its trade balance, net foreign investment, and exchange rate.	
44	2-Dec	Fri	Lecture 42	18	Open-Economy Macroeconomics: Basic Concepts	<b>Last day for all tests</b>	
45	5-Dec	Mon	Lecture 43	19	A Macroeconomic Theory of the Open Economy	A long-run model of the open economy explains the determinants of the trade balance, the real exchange rate, and other real variables.	
46	7-Dec	Wed	Lecture 44	19	A Macroeconomic Theory of the Open Economy		
47	9-Dec	Fri	<b>MAKE UP CLASS</b>				<b>Classes end. Last day to withdraw from the University without having to petition to the student's college office</b>

48	12-Dec	Mon	11:30 AM - 2:00 PM	Classes which first meet from MWF 12:00 - 12:50 AM	<b>FINAL EXAMINATION</b>
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## Grading Policy

Your final average determines your course grade on a scale where 90 or above is an *A* and less than 60 is an *F*. Passing grades are modified within each range so that grades falling within [0,3) receive a '-' and those within [7,10) receive a '+'. For example, 90 is an *A-*, 87 is a *B+* and 82.9 is a *B-*. **Tests will not be curved and grades will be determined in strict accordance with the policy above. I will not entertain needs based appeals of your course grade. Don't ask!!**

Grade Distribution					
<i>X = percent of final grade at time t</i>					
$X \geq 100\%$	A+	80% to 82.9%	B-	63% to 66.9%	D
93% to 99.99%	A	77% to 79.9%	C+	60% to 62.9%	D-
90% to 92.9%	A-	73% to 76.9%	C	<b>60% and Below</b>	<b>F</b>
87% to 89.9%	B+	70% to 72.9%	C-		
83% to 86.9%	B	67% to 69%	D+		

#	Type	Percent of final grade
<b>8</b>	In class exams	<b>80%</b>
<b>1</b>	Writing assignment	<b>10%</b>
<b>Up to 10</b>	Miscellaneous	<b>10%</b>

Exam	Date	Time	Location
1	Friday, September 02, 2011	12:00 PM	TBD
2	Wednesday, September 21, 2011	12:00 PM	TBD
3	Wednesday, September 28, 2011	12:00 PM	TBD
4	Friday, October 07, 2011	12:00 PM	TBD
5	Wednesday, October 26, 2011	12:00 PM	TBD
6	Monday, November 07, 2011	12:00 PM	TBD
7	Monday, November 21, 2011	12:00 PM	TBD
Final Exam	Monday, December 12, 2011	11:30 AM	TBD

## Policy on Missed Exams & Coursework

Students have two class periods after an exam is handed back to submit an appeal of the grading of a particular question or questions. After the appeal period expires, the grade is considered final, and cannot be changed. **I will address substantive issues on appeal, but "needs" based appeals will not be entertained. Don't ask!!**

The final is a mandatory exam for all students. It will be a comprehensive exam also covering material from the first 7 tests. If your exam average is below passing you have the option of counting the final as 80% of your grade, but this

substitution will be made only if you benefit by it. **The final is the only available make up for a student with an exam score below passing because of missed exams.**

In the highly unusual circumstance that a student misses more than 3 of the 8 exams, he or she will receive a 0 unless an acceptable and well documented excuse is provided for all exam absences. In this circumstance, the method of making up for the missing test score will be determined at the instructor's discretion. Students who missed the final will be excused only if they have a legitimate and well documented excuse. These students must take the deferred final on Friday January, 13 2012.

U of A Final Exam Policy: <http://registrar.ua.edu/policies/final-exam-policy/>

## **Attendance Policy**

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There is no formal attendance policy but be warned that attendance is vital to success in this class. Students who miss class regularly should expect to fail the course. Students are responsible for all lecture material, including all in class announcements.

## **Keys to Success**

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1. **Read the textbook**
2. **Attend every class**
3. **Do not fall behind**
4. **Learn by doing suggested problems**
5. **Use office hours for the clarification of difficult concepts**

## Policy on Academic Misconduct

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All students in attendance at the University of Alabama are expected to be honorable and to observe standards of conduct appropriate to a community of scholars. The University expects from its students a higher standard of conduct than the minimum required to avoid discipline. Academic misconduct includes all acts of dishonesty in any academically related matter and any knowing or intentional help or attempt to help, or conspiracy to help, another student.

[The Academic Misconduct Disciplinary Policy](#) will be followed in the event of academic misconduct.

## Disability Statement

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If you are registered with the Office of Disability Services, please make an appointment with me as soon as possible to discuss any course accommodations that may be necessary. If you have a disability, but have not contacted the Office of Disability Services, please call 348-4285 or visit 133-B Martha Parham Hall East to register for services. Students who may need course adaptations because of a disability are welcome to make an appointment to see me during office hours. Students with disabilities must be registered with the Office of Disability Services, 133-B Martha Parham Hall East, before receiving academic adjustments.

## Severe Weather Protocol

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In the case of a tornado warning (tornado has been sighted or detected by radar; sirens activated), all university activities are automatically suspended, including all classes and laboratories. If you are in a building, please move immediately to the lowest level and toward the center of the building away from windows (interior classrooms, offices, or corridors) and remain there until the tornado warning has expired. Classes in session when the tornado warning is issued can resume immediately after the warning has expired at the discretion of the instructor. Classes that have not yet begun will resume 30 minutes after the tornado warning has expired provided at least half of the class period remains.

UA is a residential campus with many students living on or near campus. In general classes will remain in session until the National Weather Service issues safety warnings for the city of Tuscaloosa. Clearly, some students and faculty commute from adjacent counties. These counties may experience weather related problems not encountered in Tuscaloosa. Individuals should follow the advice of the National Weather Service for that area taking the necessary precautions to ensure personal safety. Whenever the National Weather Service and the Emergency Management Agency issue a warning, people in the path of the storm (tornado or severe thunderstorm) should take immediate life saving actions.

**When West Alabama is under a severe weather advisory, conditions can change rapidly. It is imperative to get to where you can receive information from the [National Weather Service](#) and to follow the instructions provided. Personal safety should dictate the actions that faculty, staff and students take. The Office of Public Relations will disseminate the latest information regarding conditions on campus in the following ways:**

- Weather advisory posted on the UA homepage
- Weather advisory sent out through Connect-ED--faculty, staff and students ([sign up at myBama](#))
- Weather advisory broadcast over WVUA at 90.7 FM
- Weather advisory broadcast over Alabama Public Radio (WUAL) at 91.5 FM
- Weather advisory broadcast over WVUA 7. WVUA 7 Storm Watch provides a free service you can subscribe to that allows you to receive weather warnings for Tuscaloosa via e-mail, pager or cell phone. Check <http://www.wvua7.com/stormwatch.html> for details.