

**ECO 120: Global Macroeconomics**  
**Instructor: James Murray, Ph.D.**  
**Fall 2009**

**Instructor Information**

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**Course Description**

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Introduction to the functioning of the world economy. Applications of economic principals to domestic and international problems with an introduction to economic systems, economic thought, and economic history around the world. General topics include the economics of international exchange rates, global macroeconomics, international monetary systems, and economic development.

**Course Goals**

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The major purpose of this course is to provide students with an analytical framework for life-long independent thinking about global economic issues. Additional objectives include: cultivating students' understanding and appreciation of the historical development of economic ideas and economic systems around the world, introducing students to the tool of macroeconomic analysis and their application to achieving stability and growth in the world economy, and promoting student awareness of the interdependence of national economies and the consequent necessity for global cooperation in coordinating macroeconomic policy.

**Learning Objectives**

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1. Compare and contrast the performance of an open economy in terms of the short-run and the long-run.
2. Evaluate the impact of macroeconomic policies on the long-run growth rate of an economy and short-run business cycle fluctuations.
3. Compare the US and other countries when discussing unemployment, inflation, output, cyclical fluctuations, and economic growth.
4. Develop an informed interest in an economy interacting in a global environment.
5. Accept responsibility for learning and develop the desire for life-long learning in order to become an active citizen.

**General Education Student Learning Outcomes**

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1. Students will be able to use mathematical and logical methods to solve problems.
2. Students will be able to construct and use models to analyze, explain, or predict phenomena.

## Course Resources

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Textbook: Frank & Bernanke. (FB) 2007. *Principles of Macroeconomics*. Third Edition. McGraw-Hill Irwin.

Internet Resource: *Aplia*. This is an online economics course learning tool. It provides many optional and required exercises to enhance your knowledge of economics, and detailed immediate feedback on your work. It is available for purchase for \$35 either online or by mailing a check. Regular homework assignments will require you to use *Aplia*. You may register for *Aplia* online at <http://www.aplia.com>. When prompted use course key: JK7V-HNB8-LGQT. Further instructions on registering for *Aplia* will be given in class.

All material handed out in class will be posted on the class website. Grades, announcements and other communication will be done through Desire2Learn.

## Office Hours

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Regular office hours are 9:00am to 10:00am Monday, Wednesday and Friday. These are times when you can drop by announced and expect me to be in my office. I encourage you to not feel limited to these times and just shoot me an e-mail if you would like to meet at an alternative time. Frequently keeping up with the material usually requires frequent office visits, so I feel frequently coming to my office for questions is essential to your success.

Outside of my regularly scheduled classes and office hours, my availability changes all the time. You can visit my calendar at <http://www.murraylax.org/calendar.html>. It is constantly updated.

## Assessment

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Learning will be assessed through weekly quizzes, homework, and exams. The grading breakdown will be:

Quizzes / In-class Exercises / Homework: 20%

Exam 1: 20%

Exam 2: 20%

Exam 3: 20%

Cumulative Final Exam: 20%

## Grade Breakdown

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93-100	A	69-76	C
89-92	AB	65-68	CD
81-88	B	57-64	D
77-80	BC	0-56	F

I reserve the right to scale every person's grade up by the same amount on any graded item in the event that much of the class falls short of the scale above. However, even if the grades are significantly low, there is no guarantee that I will ever do this.

## Quizzes / In-class exercises

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There will be many announced quizzes, unannounced (pop) quizzes, and in-class exercises given throughout the semester. Adequate preparation for these will involve reading ahead for class and completing homework assignments on time. Classes will begin with your questions so that you can resolve any problems with assigned work before the quiz begins. Quizzes may sometimes be open book and/or open note. Sometimes in-class exercises will be given, some of which must be done in small groups. Assessment of in-class exercises and quizzes are treated identically towards the final grade.

## Weekly Homework

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*Aplia* homework assignments will be given almost every week. Assessment of homework assignments is treated identically as quizzes and in-class exercises towards the final grade. Doing these assignments requires registering for *Aplia*.

## Exams

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There will be three midterm exams and one cumulative final exam. Each exam is worth 20% of final course grade. All exams require a calculator, so be sure to bring a calculator to class on exam days. The three midterm exams will be administered during regular class time and the final exam will be administered during final exam week according to the University final exam schedule. The exam dates are as follows:

- Exam 1: Wednesday, September 30.
- Exam 2: Monday, October 26.
- Exam 3: Monday, November 23.
- Final Exam:
  - Section 007 (Meets at 7:45am MWF) Saturday, December 19, 12:15pm-2:15pm.
  - Section 008 (Meets at 12:05am MWF) Tuesday, December 22, 10:00am-12:00pm.

## Grade Insurance / News Reports

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The purpose of grade insurance is to insure you against the possibility that one of your midterm exams hurts your final grade due to a bad day, bad luck, or whatever the reason may be. If you pay your *premiums*, the lowest grade of the first three exams will be raised to the middle score of these exams, up to a maximum increase of 20 percentage points.

To pay the premiums for the insurance, every week of class beginning in the second week, write a 250 to 500 word *news report* and post it to the class blog by e-mailing it to [blog@uwlmacro.posterous.com](mailto:blog@uwlmacro.posterous.com). The news story should cite a news paper article and discuss economics concepts that apply to the story and enhance one's understanding of the story. Feel free to check out all the blog entries on the class website at <http://www.murraylax.org/eco120/studentblog/>

## Attendance

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Attendance is required to receive credit for quizzes, in-class exercises, and exams. However, if you need to miss a class day or exam day because of illness or emergency you can be excused and arrangements can be made for you to make up missed work. The University is especially concerned with the possible spread of H1N1 influenza. To reduce the chance of spreading the disease, the University recommends that if you experience two or more symptoms of flu that you not come to class nor stay in dormitories, but rather go home where you have contact with few people as possible, and return only after you are symptom free for 24 hours without medication.

## **E-mail Etiquette**

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I insist on the following e-mail etiquette rules (many of these are also recommended by the College of Business Administration):

- Questions sent by e-mail should be able to be answered with only a few words, such as 'yes' or 'no' questions. If you have questions whose answers involve explaining class material, you should come to office hours, or send an e-mail requesting we meet at a different time.
- Always include a subject that is brief but still has sufficient detail.
- Look at your class notes and syllabus before sending an e-mail. Do not ask a question whose answer is on the syllabus or announced in class (unless you missed class for a legitimate reason).
- Always spell check, grammar check, and re-read your e-mail before sending it.
- When requesting to meet with me outside of regularly scheduled office hours, consult my calendar (<http://www.murraylax.org/calendar.html>) and suggest a time we meet in your first e-mail correspondence.

## **Disabilities**

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Any student with a documented disability (e.g., physical, learning, psychiatric, vision, or hearing, etc.) who needs to arrange reasonable accommodations must contact the instructor and the Disability Resource Services office (165 Murphy Library, 785-6900) at the beginning of the semester. Students who are currently using the Disability Resource Services office will have a copy of a contract that verifies they are qualified students with disabilities who have documentation on file in the Disability Resource Services office. It is the student's responsibility to communicate their needs with the instructor in a timely manner.

## **Academic Dishonesty**

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I follow the policy stated University Academic Handbook with regard to cheating and academic dishonesty. The student handbook can be found online at [http://www.uwlax.edu/studentlife/eagle\\_eye.htm](http://www.uwlax.edu/studentlife/eagle_eye.htm). In the event a student is caught cheating I will pursue the harshest penalty that the University will allow, regardless of how small the offense may appear.

## Preliminary Topics Schedule

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Below is a schedule of topics, homework assignments, readings, and exams. This is a preliminary schedule; depending on time constraints and the topics the class finds most interesting, we may choose to not cover some of the items below, cover items that are not shown below, or re-arrange the schedule. The exam dates, however, will occur at the posted dates. The class website has a regularly updated calendar at <http://www.murraylax.org/eco120/calendar.html>

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### Week 1: September 9, 11

- *Topics:* Economics, Scarcity, and Production Possibilities.
  - *Required reading:*
    - FB, Chapters 1 and 2.
    - Thurow, Roger. “Mali’s Makeshift ‘Cuisinarts’ Create Peanut Butter and New Possibilities.” *Wall Street Journal*. July 26, 2002.
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### Week 2: September 14, 16, 18

- *Homework due:* Tuesday, September 15 at 11:30pm - **Aplia HW #1: Production Possibilities.**
  - *Topics:* Supply and Demand
  - *Required reading:*
    - FB, Chapter 3.
    - “Food prices - Cheap no more.” *The Economist*. December 6, 2007.
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### Week 3: September 21, 23, 25

- *Homework due:* Tuesday, September 22 at 11:30pm - **Aplia HW #2: Supply and Demand.**
  - *Topics:* Market for foreign exchange.
  - *Required reading:* FB, Chapter 18
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### Week 4: September 28, 30, October 2

- *Homework due:* Monday, September 28 at 11:30pm - **Aplia HW #3: Markets for Foreign Exchange.**
  - **Exam 1: Wednesday, September 30.**
  - *Topics:* Measuring output, employment, and inflation.
  - *Required reading:* FB, Chapters 4 and 5.
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### Week 5: October 5, 7, 9

- *Topics:*
  - Measuring output, employment and inflation (continued).
  - Aggregate markets for factors of production.
- *Required reading:*
  - FB, Chapters 4 and 5.

**Week 6: October 12, 14, 16**

- *Homework due:* Sunday, October 11 at 11:30pm - **Aplia HW #4: Measuring Output/Employment/Inflation.**
  - *Topics:* Aggregate markets for factors of production (continued).
  - *Required reading:* FB, Chapters 8, 9
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**Week 7: October 19, 21, 23**

- *Homework due:* Sunday, October 18 at 11:30pm - **Aplia HW #5: Factor markets.**
  - *Topics:* Economic growth (long run path of the economy) and business cycles (bumps along the path).
  - *Required reading:* FB, Chapters 7 and 12.
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**Week 8: October 26, 28, 30**

- **Exam 2: Monday, October 26.**
  - *Homework due:* Thursday, October 25 at 11:30pm - **Aplia HW #6: Growth and Business Cycles.**
  - *Topics:* Keynesian (Extremely) Short Run Model of Spending and Output.
  - *Required reading:* FB, Chapter 13
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**Week 9: November 2, 4, 6**

- *Topics:*
    - Keynesian model (continued)
    - Short-run and Long-run Model of Aggregate Supply and Aggregate Demand (AS/AD).
  - *Required reading:* FB, Chapters 13 and 15.
  - *Homework due:* Thursday, November 5 at 11:30pm - **Aplia HW #7: Keynesian Model.**
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**Week 10: November 9, 11, 13**

- *Topics:*
    - AS/AD (continued)
    - Fiscal policy.
  - *Required reading:*
    - FB, Chapter 15.
    - FB, Chapters 13, 15; external reading TBD on Fiscal Policy.
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**Week 11: November 16, 18, 20**

- *Homework due:* Sunday, November 15 at 11:30pm - **Aplia HW #8: AS/AD Model.**
- *Topics:* Fiscal policy (continued)
- *Required reading:*

– FB, Chapters 13, 15; external reading TBD on Fiscal Policy.

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**Week 12: November 23, 25**

- **Exam 3: Monday, November 23.**
  - **Thanksgiving Break: no class on Friday, November 27.**
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**Week 13: November 30, December 2, 4**

- *Homework due:* Tuesday, December 1 at 11:30pm - **Aplia HW #9: Fiscal Policy.**
  - *Topics:* Monetary Policy.
  - *Required reading:* FB, Chapters 14 and 16.
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**Week 14: December 7, 9, 11**

- *Homework due:* Tuesday, December 8 at 11:30pm - **Aplia HW #10: Monetary Policy.**
  - *Topics:* Foreign Exchange Policy.
  - *Required reading:* FB, Chapter 18.
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**Week 15: December 14, 16**

- Catch-up week / Final exam review.
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**Final Exam**

- Section 007 (Meets at 7:45am MWF) Saturday, December 19, 12:15pm-2:15pm.
  - Section 008 (Meets at 12:05am MWF) Tuesday, December 22, 10:00am-12:00pm.
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