

ECON 162B - A0, A1  
Fall 2009  
lecture A0: MWF 9:40 – 10:40  
lecture A1: MWF 10:50 – 11:50  
Lecture Hall 008 (A0), 014 (A1)  
discussion sections A01-A12

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## PRINCIPLES OF MACROECONOMICS

As the title blatantly suggests, this is an introductory course in the principles of macroeconomics. The field of macroeconomics involves the study of aggregate economic variables, such as GDP (Gross Domestic Product), inflation, unemployment, the money supply, and interest rates, and how these variables affect each other and, ultimately, our standard of living. With the recent global financial crisis and recession, the study of macroeconomics is more relevant than ever. Most of the economic news that we all see, hear, and read every day concerns macroeconomic issues. Examples include the housing market crisis, the stock market, and the role of the Federal Reserve in changing interest rates; the potential for recession and the rate of growth of GDP; inflation and deflation; the national debt and growing budget deficits; the trade deficit, NAFTA and the WTO; globalization and economic development; Chinese exchange rates; Lehman Brothers, AIG, and the financial meltdown of 2007-2008; and the attempts to stimulate the economy by President Barack Obama and Federal Reserve Chair Ben Bernanke. All of these issues, and many others, are the stuff with which macroeconomics is made.

## READINGS

The required textbooks for the course are:

Kenny Christianson, Introduction to Economics (KC)  
Miller, Benjamin, and North, The Economics of Public Issues, 16<sup>th</sup> edition (MBN)

The textbooks are available in the bookstore. In addition, frequent reading of the *New York Times*, *Wall Street Journal* or Internet sources is strongly encouraged. The models that we will study are much more interesting when linked with an understanding of current economic events. Assignments, review sheets, and course announcements can be found on the course home page at <http://blackboard.binghamton.edu>.

To sign into the Blackboard homepage, your username is your Binghamton University Pod username and then use your Pod password.

## WEBSITES

Increasingly there is a wealth of macroeconomic information accessible through the Internet. Several assignments will be based on retrieving and analyzing data obtained from the Internet. Some of the more useful sites include:

<http://www.bls.gov> (Bureau of Labor Statistics)  
<http://www.bea.gov> (Bureau of Economic Analysis)  
<http://www.federalreserve.gov> (Federal Reserve)  
<http://www.finpipe.org> (financial information)  
<http://www.whitehouse.gov/fsbr/esbr.html> (White House economic statistics)

Other sites will be linked through the Blackboard home page.

## REQUIREMENTS

The most important requirements for the course are class attendance and completing the readings as assigned. While class attendance is not mandatory, it is important for your comprehension of the concepts of the course. Attendance and participation in discussion sections is also vital to your success in the course. The study of macroeconomics can be a difficult undertaking, and your understanding will be enhanced through different types of exposure to the material. For the same reasons, you should also make a strong attempt to keep up with the readings. If you do not, you may be overwhelmed at exam time.

Besides attendance and completing the readings as assigned, the requirements for the course include two midterm exams, a final exam, and ten problem sets. The problem sets will be due approximately every week. (See the problem sets on the course home page or class schedule for due dates.) You are encouraged to work together on the problem sets, but you must each hand in your own paper. The lowest of the ten problem set grades will be dropped. Discussion sections will review the problem sets and answer keys each week, as well as address any questions you may have about the course material, lectures and upcoming problem sets.

There will be no makeup exams offered throughout the semester without prior arrangement with the instructor. Be sure that you are able to take the final exam on the date and time indicated (see below). Late problem sets will not be accepted without prior permission. There are no exceptions to these rules.

The grading distribution will be as follows:

midterm #1	20%
midterm #2	20%
problem sets	30%
final exam	30%

## OFFICE HOURS

Office hours are Mondays and Wednesdays from 12:30 - 2:00 in LT 1013. Please feel free to drop by or to give me a call if you are having problems with the material, if you need to miss a class, or if you just want to talk. Often a difficulty with an assignment can be resolved with a meaningful question or two. Our purpose here is to learn, and I am willing to help in any way that I can.

## DISRUPTIVE BEHAVIOR

Since this is a large class, disruptive behavior by a few of you will impose costs on many others. Disruptive behavior includes talking to classmates, arriving late or leaving early, listening to portable recording devices, using a cell phone or laptop computer to play video games, snoring, or inappropriate gestures or outbursts in class. Such behavior will not be tolerated, and consequences will include being asked to leave the class, dropping a letter grade, or ultimately failure of the course. This is unfortunately necessary due to the behavior of your predecessors. None of this is meant to preclude the value of participation in the class.

Please refrain from leaving for the bathroom unless absolutely necessary. During exams an escort will be required.

**TURN OFF YOUR CELL PHONES IN CLASS!**

**ACADEMIC DISHONESTY**

Any instance of academic dishonesty, such as plagiarism or cheating, will result in an automatic grade of F in the course and referral for judicial action. The highest level of academic integrity is expected of all students at all times.

**ECONOMICS DEPARTMENT POLICY REGARDING MAKE-UP FINAL EXAMS**

**ALL** make-up final exams in Economics will be given **Friday, December 18 from 8:00 to 10:00 AM**. All officially scheduled final exams will be listed in the BU Brain - check it **NOW** for conflicts. If a conflict exists you may request a make-up exam from the instructor of **ANY** of the conflicting courses. If you choose to request a make-up exam for this course, a sign-up list to request the make-up exam will be available in class after the add/drop deadline – ask the instructor. Students **MUST** make their request for a make-up exam in economics **NO LATER THAN FRIDAY, October 9**.

It is **the student's responsibility** to learn from the instructor if the request has been approved. Only students who are approved may take a make-up final exam. Students who have not requested a make-up exam in an economics course by October 9 will be required to resolve conflicting exams with the instructor in one of their other courses.

Make-up exams are approved **ONLY** for the following conditions:

- Conflicts with the **OFFICIAL** final exam schedule (e.g. exams at the same time or more than two exams within 24 hours).
- **DOCUMENTED** personal illness or family emergency.

**READING LIST AND COURSE OUTLINE**

week	dates	topic	reading
<b>PART I</b>		<b>INTRODUCTION</b>	
1	Aug 31 – Sept 4	Introduction to Economics	KC chapter 1 MBN chapters 1, 2
	Sept 7	- NO CLASS (Labor Day) –	
2	Sept 9, 11	Scarcity, Choice and Production	KC chapter 2 MBN chapters 3, 4
	Sept 11	-problem set one due-	
3	Sept 14- 18	Trade and Comparative Advantage	KC chapter 2 MBN Part Seven
	Sept 18	-problem set two due-	

**PART II****DEMAND AND SUPPLY**

4	Sept 21 - 25	Demand and Supply Curves	KC chapter 3 MBN Part Two	
	Sept 28	- NO CLASS (Yom Kippur)-		
5	Sept 30, Oct 2	Private and Public Sectors	KC chapter 4 MBN Part Six,	Oct 2
		-problem set three due-		

**PART III****MACROECONOMIC BASICS**

6	Oct 5 - 9 Oct 9	GDP and Economic Output -problem set four due-	KC chapter 5	
7	Oct 12, 14  Oct 16	GDP, Current Accounts and Exchange Rates  -MIDTERM ONE-	KC chapter 6	
8	Oct 19 - 23 Oct 23	Unemployment and Inflation -problem set five due-	KC chapter 7	

**PART IV****EQUILIBRIUM CONCEPTS**

9	Oct 26 - 30  Oct 30	The Classical Model and Growth  -problem set six due-	KC chapter 8 MBN Part Three, chapter 4	
10	Nov 2 - 6 Nov 6	Keynesian Equilibrium -problem set seven due-	KC chapter 9	
11	Nov 9, 11 Nov 13	Aggregate Demand and Supply - MIDTERM TWO-	KC chapter 10	

**PART V****FISCAL AND MONETARY POLICY**

12	Nov 16 - 20 Nov 21	Fiscal Policy -problem set eight due-	KC chapter 11	
13	Nov 23, 25 Nov 26, 27	Fiscal Policy (cont) -THANKSGIVING BREAK-	MBN chapters 21, 23	
14	Nov 30 – Dec 4  Dec 4	Money and Banking  -problem set nine due-	KC chapters 12, 13 MBN chapters 20, 22	
15	Dec 7 - 11 Dec 11 Dec 14 - 18	Phillips Curves -problem set ten due- - FINAL EXAM TBA -	KC chapter 14	

GOOD LUCK!!!!!!!  
I HOPE YOU ENJOY THE COURSE!!!!!!!