

COURSE SYLLABUS



Introduction to Macroeconomics

Course code: ECO110/1

Semester and year: Spring 2018

Day and time: Tue 8:15-11:00

Instructor: Tomas Evan, Ph.D.

Instructor contact: tomas.evan@aauni.edu

Consultation hours: After class or by appointment

Credits US/ECTS	3/6	Level	Introductory
Length	15 weeks	Pre-requisite	TOEFL iBT 71
Contact hours	42 hours	Course type	Bachelor Required

1. Course Description

As an introduction to macroeconomic theory, this course employs standard macroeconomic approaches and looks at the economy as a whole to gain an understanding of how it works. The course introduces the main macroeconomics concepts and topics: GDP, economic growth, national income, unemployment, inflation, the role of government, fiscal policy, the role of central banks and monetary policy, international monetary arrangements, bubbles and crashes. Students will learn why some countries are rich while others are not, what causes the unemployment or what the effects of inflation are. In addition, the course includes research concerning capitalist economies since the recent world-wide economic crash.

2. Student Learning Outcomes

Upon completion of this course, students will be able to:

- Discuss and analyse macroeconomic events using standard economic concepts such as demand and supply;
- Connect fluctuations in inflation, unemployment and economic growth;
- Understand the goals, tools and limitations of fiscal and monetary policies;
- Understand the basic working of financial markets;
- Realize the international linkages between economies;
- Realize the existence of different historical schools of economic thought and the differences between them;
- Understand the main macroeconomic statistics, be able to work with the data and produce simple macroeconomic analyses.

3. Reading Material

Required Materials

- Mankiw, G.N. (ed.): Principles of Economics. South-Western, Cengage Learning, 6th edition, 2012.
- Economic news, articles available on e-learning and discussed in class.

Recommended Materials

- Samuelson, P.A., Nordhouse, W.D.: Economics, McGraw-Hill Education, 19th edition, 2009.

- Following is a list of useful academic and professional sources for research purposes available free on the Internet or through the AAU library. Please note that Wikipedia is not an academic source and should not be used as such.

Social Science Research Network
<http://www.ssrn.com/>

JSTOR
<https://www.jstor.org/action/showLogin>

Open Access Journals
<http://www.doaj.org/doaj?func=home>

EU Commission
http://ec.europa.eu/index_en.htm

EU (general)
http://europa.eu/index_en.htm

EUROSTAT
<http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>

OECD (many titles are for fee only)
<http://www.oecd.org>

World Bank
<http://www.worldbank.org/>

IMF - International Monetary Fund
<http://www.imf.org/external/index.htm>

Transparency International
<http://www.transparency.org/>

National Bureau of Economic Research (U.S.)
<http://www.nber.org/papers.html>

CIA World Fact Book
<https://www.cia.gov/library/publications/the-world-factbook/index.html>

Bank for International Settlements
<http://www.bis.org/>

National Bureau of Economic Research – NBER (Czech IP addresses have free downloads of Working Papers)
<http://www.nber.org/>

Political Economy Research Institute
<http://www.peri.umass.edu/nc/201/>

Bloomberg (market information)
<http://www.bloomberg.com/markets/>

Economic Freedom Index
<http://www.heritage.org/index/Ranking.aspx>

Financial Times (limited access with free registration)
<http://www.ft.com/home/europe>

The Wall Street Journal
<http://europe.wsj.com/home-page>

Deutsche Bank Research
<http://www.dbresearch.com/>

Goldman Sachs Economics Research
<http://www2.goldmansachs.com/ideas/index.html>

4. Teaching methodology

This course is lecture-based with interactive participation of students. During the sessions students participate in discussions and are encouraged to ask questions. Homework prepares students for the midterm and final exam. The course is practically oriented and will require students to apply the covered theory on particular examples from real world. Working paper helps students to articulate their hypotheses and to develop their macroeconomic thinking.

5. Course Schedule

Date	Class Agenda
February 6 Session 1	Topic: Introduction to the course; Macroeconomics as a Science, methodology and research; Building on previous knowledge, Supply and Demand, Production Reading: Mankiw, ch.1 Assignments: Homework 1; Working paper project
February 13 Session 2	Topic: Economic growth around the world; Why are some nations rich and some poor? Institutions and Policies, Culture, Resources; Economic Growth and public policy Reading: Mankiw, ch.25, Olson (1996)
February 20 Session 3	Topic: How to measure economy? Growth and GDP Reading: Mankiw, ch.23
February 27 Session 4	Topic: Introducing the financial system; Saving and investment; The basic tools of finance Reading: Mankiw, ch.26 and 27
March 6 Session 5	Topic: Inflation and Unemployment; Measuring the cost of living; Identifying unemployment; Working paper: the practical part (PC lab) Reading: Mankiw, ch.24 and 28 Deadlines: Working paper check-up (introduction, hypothesis, verification criteria, dataset)
March 13 Session 6	Topic: The short-run trade-off between inflation and unemployment; the Philips Curve and its applications; Review for the midterm Reading: Mankiw, ch.35
March 20 Session 7	Topic: Mid-term Exam Deadlines: Submission of homework 1

March 23 Session 8	Topic: The government and the Economy: Monetary policy; Monetary system; Money growth and Inflation; Money multiplier Reading: Mankiw, ch.29 and 30 Assignment: Homework 2
March 27	Mid-term break
April 3 Session 9	Topic: Aggregate demand and aggregate supply; Business cycle and short-run economic fluctuations; Reading: Mankiw, ch.33
April 10 Session 10	Topic: The government and the Economy: Fiscal policy influences aggregate demand; Fiscal and Monetary policy interactions Reading: Mankiw, ch.34 Deadlines: Working paper check-up 2 (theoretical part – literature review, practical part)
April 17 Session 11	Topic: Six debates over macroeconomic policy; Should the government try to stabilize the economy, fight recessions, aim at zero inflation, balance its budget, encourage saving, make rules or use discretion? Reading: Mankiw, ch.36
April 24 Session 12	Topic: International trade and international balance of payments; Trading in open economy; Exchange rates, trade deficits and policies Reading: Mankiw, ch.31 and 32 Deadlines: Submission of the Working paper
May 15 Session 13	Topic: Summary and review for the final exam, Presentations of Working papers
May 22 Session 14	Topic: Final Exam (the test covers the whole course) Deadlines: Submission of homework 2

6. Course Requirements and Assessment (with estimated workloads)

Assignment	Workload (average)	Weight in Final Grade	Evaluated Course Specific Learning Outcomes	Evaluated Institutional Learning Outcomes*
Attendance and Active Class Participation	42	10%	Understanding of key concepts, ability to describe and explain the learned concepts in the class	1,2
Working paper	25	25%	Ability to write clearly and concisely, ability to research and identify key issues, subject knowledge	1,3
Presentation of Working paper	3	5%	Presentation skills, ability to explain the studied topic to peers	1,2
Mid-term test	30	20%	Ability to understand and retain knowledge, Discipline	1
Homework	10	10%	Ability to understand and apply basic theoretical concepts	1,2
Final Test	40	30%	Ability to understand and retain knowledge, Discipline	1
TOTAL	150	100%		

*1 = Critical Thinking; 2 = Effective Communication; 3 = Effective and Responsible Action

7. Detailed description of the assignments

- **Active class participation:** Readiness to answer questions raised in the class gives you extra points to the total maximum of 10 in this section.
- **Homework:** There are two homework assignments. Students are required to handwrite solutions to several selected "Problems and Applications" (at the end of each chapter).
- **Midterm exam:** Midterm exam is based on lectures and readings on topics 1-6 (see the syllabus). Understanding of acquired concepts and theories is tested. Questions include mix of approximately 20 multiple choice and open-ended questions.
- **Final exam:** Final exam is based on lectures and readings on topics 8-12 (see the syllabus) but some. Understanding of acquired concepts and theories is tested. Questions include mix of approximately 30 multiple choice and open-ended questions.
- **Working paper + its presentation:** 10 pages long structured project should be written according to a Short Guide provided. Topic and hypothesis of the project should be related to one of the weekly topics in this syllabus. Part of one class will be specifically dedicated to the structure and methods that should be used. During this class students will be also given examples of A-graded project and presentation and a list of potential errors, which would lead to reduction of points awarded for both the project and its presentation.

Working paper - Assessment breakdown

Assessed area	Percentage
Theoretical part including critical review of literature	30%
Practical part including source data table, graphs of relevant functions, equations.	50%
Quality of writing (grammar, structure, references)	20%

8. General Requirements and School Policies

General requirements

All coursework is governed by AAU's academic rules. Students are expected to be familiar with the academic rules available in the Codex and Student Handbook and to maintain the highest standards of honesty and academic integrity in their work.

Electronic communication and submission

The university and instructors shall only use students' university email address for communication. It is strongly recommended that any email communication between students and instructors take place in NEO LMS.

Each e-mail sent to an instructor that is about a new topic (meaning not a reply to an original email) shall have a new and clearly stated subject and shall have the course code in the subject, for example: "COM101-1 Mid-term Exam. Question".

All electronic submissions are carried out through NEO LMS. No substantial pieces of writing (especially take home exams and essays) can be submitted outside of NEO LMS.

Attendance

Attendance is required. Students who are absent 5 times or more will be failed (or administratively withdrawn from the course if most absences are excused). Students will also be marked absent if they miss a significant part of a class (by arriving late or leaving early).

Absence excuse and make-up options

Should the student be absent from a class for relevant reasons (illness, serious family matters), s/he needs to submit an Absence Excuse Form supplemented with documents proving the reasons for absence to the Assistant Dean. Should a student be absent during the add/drop period due to a change in registration this will be an excused absence if they submit an Absence Excuse Form along with the finalized add/drop form. The form and documents must be submitted within one week of absence. If possible, it is recommended to inform the instructor about the absence in advance.

Students whose absence has been excused by the Dean are entitled to make up exams they missed provided that the nature of the exam allows for a make-up. The students are responsible for contacting their instructor within one week from the date the absence was excused, and for making arrangements with the instructor about make-up options as necessary.

Assignments missed due to unexcused absences cannot be made up.

Late work: No late submissions will be accepted – please follow the deadlines.

Electronic devices

Any electronic devices (phones, tablets, laptops...) may be used only for class-related activities (taking notes, looking up related information...). Any other use will result in being marked absent and/or being expelled from the class. No electronic devices may be used during the tests.

Eating is not allowed during classes.

Cheating and disruptive behaviour

If a student engages in disruptive or other conduct unsuitable for a classroom environment of an institution of learning, the instructor may require the student to withdraw from the room for the duration of the activity or for the day and shall report the behaviour to the Dean.

Students engaging in behaviour which is suggestive of cheating (e.g. whispering or passing notes) will, at a minimum, be warned. In the case of continued misbehaviour the student will be expelled from the exam and the exam will be marked as failed.

Plagiarism and Academic Tutoring Centre

Plagiarism is “the unauthorized use or close imitation of the language and thoughts of another author and the representation of them as one’s own original work.” (Random House Unabridged Dictionary, 2nd Edition, Random House, New York, 1993)

Turnitin’s White Paper ‘The Plagiarism Spectrum’ (available at <http://go.turnitin.com/paper/plagiarism-spectrum>) identifies 10 types of plagiarism ordered from most to least severe:

1. CLONE: An act of submitting another’s work, word-for-word, as one’s own.
2. CTRL-C: A written piece that contains significant portions of text from a single source without alterations.
3. FIND-REPLACE: The act of changing key words and phrases but retaining the essential content of the source in a paper.
4. REMIX: An act of paraphrasing from other sources and making the content fit together seamlessly.
5. RECYCLE: The act of borrowing generously from one’s own previous work without citation; To self-plagiarize.
6. HYBRID: The act of combining perfectly cited sources with copied passages—without citation—in one paper.

7. MASHUP: A paper that represents a mix of copied material from several different sources without proper citation.
8. 404 ERROR: A written piece that includes citations to non-existent or inaccurate information about sources
9. AGGREGATOR: The "Aggregator" includes proper citation, but the paper contains almost no original work.
10. RE-TWEET: This paper includes proper citation, but relies too closely on the text's original wording and/or structure.

As the minimum policy the types of plagiarism from 1 through 8 results in the failing grade from the assignment and must be reported to the Dean. The Dean may initiate a disciplinary procedure pursuant to the Academic Codex. Allegations of bought papers and intentional or consistent plagiarism always entail disciplinary hearing and may result in expulsion from AAU.

If unsure about technical aspects of writing, students are encouraged to consult their papers with the tutors of the AAU Academic Tutoring Centre. For more information and/or to book a tutor, please contact the ATC at: <http://atc.simplybook.me/sheduler/manage/event/1/>.

Students with disabilities

Students with disabilities are asked to contact their instructor as soon as possible to discuss reasonable accommodation.

9. Grading Scale

Letter Grade	Percentage*	Description
A	95 – 100	Excellent performance. The student has shown originality and displayed an exceptional grasp of the material and a deep analytical understanding of the subject.
A-	90 – 94	
B+	87 – 89	Good performance. The student has mastered the material, understands the subject well and has shown some originality of thought and/or considerable effort.
B	83 – 86	
B-	80 – 82	
C+	77 – 79	Fair performance. The student has acquired an acceptable understanding of the material and essential subject matter of the course, but has not succeeded in translating this understanding into consistently creative or original work.
C	73 – 76	
C-	70 – 72	
D+	65 – 69	Poor. The student has shown some understanding of the material and subject matter covered during the course. The student's work, however, has not shown enough effort or understanding to allow for a passing grade in School Required Courses. It does qualify as a passing mark for the General College Courses and Electives.
D	60 – 64	
F	0 – 59	Fail. The student has not succeeded in mastering the subject matter covered in the course.

* Decimals should be rounded to the nearest whole number.

Prepared by and when: Tomas Evan, January 2018

Approved by and when: Miroslav Svoboda, Chair of Department of Economics and Business Law, January 28, 2018; Irena Jindřichovská, Dean of School of Business Administration, February 1, 2018