

ECN 100: PRINCIPLES OF MACROECONOMICS**FALL 2019****INSTRUCTOR AND COURSE INFORMATION**

Instructor: **Dr. Andrea TERZI**

Office Hours: Drop-in Monday and Thursday 16:00–17:00, or by appointment

Contact: 091.986.3632 (voice mail) – aterzi@fus.edu (subject field “ECN 100” gives you priority)

Schedule: Mondays & Thursdays 11:30-12:45; Lowerre Academic Center, 8

COURSE DESCRIPTION

This course introduces students to the study of economics as a field of knowledge within the social sciences. In the first part, we focus on the definition, the explanation, and the significance of national income, business fluctuations, the price level, and aggregate employment. In the second part, we devote special attention to the functioning of a payment system based on currency and bank money. Finally, we discuss the instruments and the functioning of public policy aimed to stabilize prices and maintain high levels of output and employment within the current institutional context. We scrutinize current economic news, access macro data and create charts.

RATIONALE

This entry-level course in economics covers the fundamentals of macroeconomics and is aimed at students who choose it as an elective or plan to continue their studies in economics. Together with ECN 101, it provides the necessary prerequisites for any other upper-level course in economics. The course is a program requirement for the majors in International Banking and Finance, International Economics, International Relations, International Management, and Environmental Science. It is also a prerequisite for Economics as a combined major as well as a minor. It fulfills core requirements in the Area of Knowledge “International Engagement”.

COURSE GOALS

Critical thinking: Identify questions, use models when processing thought, judge conclusions; Use statistical data analysis to answer empirical questions, using appropriate software; Use theoretical models to predict the behavior of individuals, firms, and economic systems. *Problem-solving*: Apply a given technique to new requests. *Communication*: Demonstrate the ability to read, evaluate, and interpret general economic information. *Collaboration*: Provide and receive feedback, ideas, and instruction in a professional manner; Explain the impact of each team member (including oneself) on the collaborative project and the role each member plays. *Technology*: Make appropriate and effective use of information technology for research. *Business knowledge*: Explain the relationships among business, government, and markets. *Lifelong Learning*: Use a model approach to understand and evaluate new economic events. *Social Responsibility*: Describe how alternative courses of action affect various individuals and social groups.

SPECIFIC LEARNING OUTCOMES

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

- Recognize what makes output and productivity grow
 - Illustrate how the payment system works
 - Discuss what causes unemployment and price fluctuations
 - Explain the functioning of monetary and fiscal policy
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REQUIRED TEXTS AND MATERIALS

David C. Colander, *Macroeconomics*, McGraw-Hill Irwin, 11th International Student Edition, 2020. *Course Website* (on Moodle platform) offers additional resources, information, and updates pertaining this course. Students are responsible for checking this platform regularly.

ASSESSMENT OVERVIEW

Assessment is based on the following requirements:

- Exams: One 50-minute midterm (30%) and one cumulative 80-minute final (40%)
- Class Participation and Engagement (20%)
- In-class quizzes (10%)

ASSESSMENT DETAILS

Exams are a mixture of problems, short answers, multiple choice and open-ended questions.

Class Participation and Engagement includes:

A) Reading the assignments before coming to class, actively participating in classroom discussions throughout the course, asking relevant questions, share relevant insights you have from previous experiences, contributing to Moodle discussion forums, treating your classmates' participation with courtesy, responding thoughtfully to other students' comments, respecting the classroom space, willing to comply with course policies (see below), helping to create an environment where other students can learn.

B) Meeting one of the following requirements:

B1) Submission and in-class presentation of a briefing paper (a 500-word concise document informing the recipients, i.e., your peers and instructor, about a macro issue, establishing a link with the material covered, written in clear, plain language, and possibly including bullet points instead of dense paragraphs).

B2) Submission and in-class presentation of macro data, using Macrobond® (an analysis of empirical data aimed to discuss their significance, including a detailed account of how you constructed the chart).

In-class quizzes can be either announced or pop-up. They will cover questions about the material being currently covered in class as well as included in the reading assignment for that day.

GRADING

At the end of the semester, you will receive a score from 0 to 100%. Your total points will be translated into a final letter grade (plus/minus when applicable) using the following scale: 90-100=A (exceeds expectations); 80-89=B (meets expectations); 70-79=C (partial achievement); 60-69=D (does not meet the goal); 0-59=F (no credit).

ACADEMIC INTEGRITY: STATEMENT ON CHEATING AND PLAGIARISM

A student, whose actions are deemed by the University to be out of sympathy with the ideals, objectives or the spirit of good conduct as fostered by the University and Swiss community, may be placed on Disciplinary Probation or become subject to dismissal from the University. Cheating is a dishonest action out of sympathy with the ideals, objectives and spirit of the University. Furthermore, cheating reflects negatively on one's personal integrity and is unjust to those students who have studied. [See the University full statement.](#)

COURSE POLICIES AND EXPECTATIONS

Expected class behavior: Respect, courtesy, on-time arrival, attentiveness, not leaving while class is in session without permission to be obtained before class begins, not using devices for personal reasons.

Attendance and class work: Learning is an active process. Turning in work and attending classes does not ensure a passing grade. To succeed in this course you should be rather active both during class meetings and outside of class. You are required to read the assignments before the class meetings, as we will discuss the content of the readings in class. At random times, I may conduct a “pop quiz” to test the extent to which you have done the readings. Nonattendance inevitably lowers your score. Should you miss a class, you are responsible for any missed information. Extended absences may result in you being invited to withdraw from the class.

Scheduled reports and presentations: Once assigned, presentations cannot be postponed without documented evidence of a major disruption to your work.

Exam dates: All exam dates are binding. Please do not ask to take your exam at a different date than the one posted on this calendar. No make-up of exams can be given. A missed midterm exam will receive a grade of zero unless the student 1) makes every effort to notify the instructor prior to the exam to be missed by phone or email; and 2) provides formal documentation of a condition of illness or serious family emergency. When both conditions are met, the weight of the exam will be shifted to the final exam.

Quizzes: There is no make-up of in-class assignments.

STUDY TIPS: HOW TO DO WELL IN THIS COURSE

It may help to take note of the following tips to assist you in your studies:

- ✓ Visit the Moodle page and make sure you are receiving Moodle notifications to be always aware of announcements and new posts.
- ✓ Always do the required reading before attending class.
- ✓ Come to class prepared to learn and participate in class.
- ✓ Lectures do not cover every chapter’s detail. I will concentrate on the core and basic topics and use material not included in your textbook.
- ✓ Ask questions in class. Don't let your questions go unanswered!
- ✓ Take good notes and review them soon after class.
- ✓ Read again the assigned chapter after class. Don't read it just once. Outline the important points.
- ✓ You may find it helpful to discuss the readings and problems in a study group.
- ✓ Don't reserve your studying for the weekends. I suggest you study an hour per day (minimum), or three hours between subsequent meetings. Daily exposure is much better than cramming.

RESOURCES AVAILABLE

Writing and Learning Center: For all writing and learning support issues (time management, study skills, preparing for exams, reading and presentation skills, and all steps of the writing process from brainstorming a paper to outlining, editing to proofreading) schedule an appointment with a tutor by going to the website wlc.setmore.com where you can find business hours. Tutors can give you individual one-on-one support in all of these areas. For further inquiries, contact Kate Roy (kroy@fus.edu) or Leslie Tedoldi (ltedoldi@fus.edu).

Honors Society: This offers an added opportunity for students seeking to pursue their academic interests. The program is especially suitable for students contemplating graduate study after Franklin. Contact Professor Marcus Pyka (mpyka@fus.edu), LAC 12.

Accessibility Services: If you have a disability and you would like to discuss the possibility of receiving accommodations, please write to accessibility.services@fus.edu to make an appointment with the Accessibilities Coordinator.

COURSE SCHEDULE**Calendar of topics with reading assignments (textbook chapters):**

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|------------|--|------------------------------------|
| MON AUG 26 | Introduction to the course and to the study of economics | - |
| THU AUG 29 | Part 1: The economy and economics 1.1 The economic dimension of society: Creating and distributing value | 1, Appendix to 2 |
| MON SEP 2 | 1.2 Production and output constraints | 2 (-31) |
| THU SEP 5 | 1.3 The economy as a system of interactive units | 3 |
| MON SEP 9 | Part 2: Measuring and modeling economic activity and growth 2.1 Macroeconomic cyclical fluctuations and long-term trends | 6 (-136) |
| THU SEP 12 | 2.2 Unemployment: Measures, cyclical fluctuations, and hardship | 6 (136-) |
| MON SEP 16 | 2.3 National accounts: The economy as a consolidated unit | 7 (-155) |
| THU SEP 19 | 2.4 Measuring GDP: Comparing GDP across time | 7 (155-162) |
| MON SEP 23 | 2.5 Measuring GDP: Comparing GDP across space | 7 (164-) |
| THU SEP 26 | Part 3: Macroeconomic theory and policy responses 3.1 The AS/AD model: Understanding fluctuations of national income | 8 (-186) + p.354 |
| MON SEP 30 | 3.2 Employing resources: Incentives to spend | 8 (186-) |
| THU OCT 3 | 3.3 Expanding resources: Incentives to invest | 9 |
| MON OCT 7 | <i>Review session</i> | |
| THU OCT 10 | Midterm examination | |
| MON OCT 14 | Part 4: The payments system and interest rates 4.1 Central bank money, bank money, and other financial assets | 10 (-227) and Appendix to 10 |
| THU OCT 17 | 4.2 What do central banks do? | 11 (-255) |
| MON NOV 4 | 4.3 Monetary policy operations | 11 (255-60) |
| THU NOV 7 | 4.4 Goals and effectiveness of monetary policy | 11 (260-) |
| MON NOV 11 | Part 5: National and international policy issues 5.1 Financial crises and policy response | 12 |
| THU NOV 14 | 5.2 Effectiveness and issues with fiscal policy | 14 |
| MON NOV 18 | 5.3 The fiscal balance and government debt | 13 |
| THU NOV 21 | 5.4 Benefits and drawbacks of changing prices | 16 (-353) |
| MON NOV 25 | 5.5 Unemployment buffer to control inflation and alternative policies | 15 and 16 (358-) |
| THU NOV 28 | <i>Review session, presentations, and class discussion</i> | - |
| MON DEC 2 | <i>Review session, presentations, and class discussion</i> | - |
| THU DEC 5 | <i>Review session, presentations, and class discussion</i> | - |
| MON DEC 9 | Final examination – 11:00-13:00 | |