

Principles of Economics / Winter 05
Syllabus -Econ3

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Office : Econ 112

O.H. : Monday and Wednesday 2:00 to 4:00 (or by appointment)

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O.H. : Wednesdays 11:00 to 12:00, SQH 237

Review sessions : Wed 4:00 to 4:50, in WLH 2205

Course description

Course material : Principles of Economics by Frank R. and B. Bernanke, second edition (Irwin - Mc Graw Hill):

Econ 3 focuses on macroeconomics

-Part VI is an introduction to the main macroeconomic issues, macroeconomic measures and their interpretation. We study the concepts of growth, productivity, and the standard of living. We also explain how to measure the GDP and the unemployment rate. We introduce price indices and inflation. These chapters will help you becoming familiar with some major questions raised by macroeconomists and with the tools that they use.

Course description

-Part VII studies the behavior of the economy in the long run. It focuses on economic growth and the factors that can affect it. We will study the links between saving and investment, labor productivity and the standard of living. We will also study the role of the Fed in fighting against inflation and promoting economic stability in the long run. We will discuss how international capital flows affect the allocation of saving between countries.

Course description

-Part VIII presents the short run behavior of the economy and the options available to policy makers to stabilize the economy. We will first review the historical record of economic fluctuations. Second, we will develop a framework to understand the role of aggregate demand in the short run fluctuations of the economy. Using the same framework, we will explain how fiscal and monetary policies are used for stabilizing the economy. We will first focus on the stabilization of output and employment and second on the control of inflation.

-Part IX looks at the international economy in greater details. We will present the foreign exchange market. Using a simple supply and demand model, we will explain the determination of exchange rates and how alternative exchange rate systems affect the economy. In this part, we will also presents the use of the exchange rate as a tool for monetary policy.

LECTURES

-Focus on what is the most important in each chapter.

-Insist on some topics with additional material, examples and questions not included in the textbook or lecture slides.

-Slides : Outline for each lecture. They do not include lecture notes or solutions to problems studied in class.

-The exams are based on the lectures, the review sessions, the homework.

USE OF APLIA

We use a Web Site: www.aplia.com

The use of this web site is compulsory for this class. The cost is \$21 for the quarter.

It includes: the lectures outlines, announcements, 3 types of assignments that you will complete on-line.

You do not need to buy a student workbook

You self enroll using your name, your ID number and the course key :

MEMD-U8HN-JVW9

Optimal Training

- Attendance and focus during lectures.

- Read and Learn Chapters before Lectures. Ask questions, try to answer questions. Redraw graphs to memorize them.

- Take notes during lectures to complement lecture outlines.

- Homework (Chapters reading, Problems, Questions...). Re-do the examples done in class.

Exams

- Generally consist in problems and multiple choice questions. No calculator, no notes. Cheating reported to the Dean.

- If you leave the classroom during the exam, you can not come back.

- Midterm 1 : Approx. 40 minutes beginning of class. No additional time for late students. Weight 20%

- Midterm 2 : Approx. 40 minutes beginning of class. No additional time for late students. Weight 20%

- Graded Homework : Weight 10%

- Final Exam : Approx. 2 - 3 hours. No additional time for late students. Weight 50%

- **Grades will be curved taking into consideration the overall class performance and the economics department's standards.**

- Copies are generally corrected and returned one week after the exam in class. After they are available in the TA's office. No grades given by email.

Course and Exam Schedule

- Jan 3 : Class pres., Ch 17

- Jan 5: chap 17

- Jan 7: chap 18

- Jan 10 : chap 18

- Jan 12: chap 19

- Jan 14: chap 19
- Jan 17 : Holiday
- Jan 19: chap 20
- Jan 21: chap 20
- Jan 24: chap 21
- Jan 26: chap 21
- Jan 28: Chap 22
- Jan 31: Chap 22
- Feb 2 : Chap 23
- Feb 4: Midterm 1 (chap 17-22 included)
- Feb 7: chap 23
- Feb 9: chap 24

Course and Exam Schedule

- Feb 11: Chap 24
- Feb 14: chap 25-26
- Feb 16: chap 26
- Feb 18: chap 26
- Feb 21 : Holiday
- Feb 23: chap 27
- Feb 25: chap 27
- Feb 28: Chap 28
- Mar 2: Midterm2 (chap 23-27 included)
- Mar 4: Chap 28
- Mar 7 : Chap 28
- Mar 9 : Chap 29
- Mar 11: Chap 29
- Final Exam (cumulative) : Tuesday March 15 8:00 to 11:00 a.m. **(for the MWF 10:00 am class)**
- Final Exam (cumulative) : Tuesday March 15 11:30 a.m. to 2:30 p.m. **(for the MWF 1:00 pm class)**

Homework deadlines

- Indicated on the web page right next to each assignment. Due approximately a week after the chapter has been completed in class.

Re-grading Policy

- Re-grading is exceptional. Re-grading can occur only during the week following a midterm or a final and only if the instructor considers that points have clearly been forgotten during the correction.
- Procedure : Ask the TA for re-grading first. If you disagree with the TA, contact the instructor with a written note explaining your request and the reason for disagreement with the TA and join the note to your copy.

Missed Exams

- No make-up exams.
- If exam missed without a university accepted excuse : grade of zero for the missed exam.

▪Excuses for missed exams must be pre-approved by the instructor. Students who make contact after the exam will have to document why they could not make contact prior to the exam. In addition, any student who misses an exam due to physical illness will be required to provide documentation from a licensed physician indicating why the student was physically unable to take the exam. All documentation and an additional signed written statement explaining the relevant circumstances of the absence must be provided to the instructor within 2 working days of the student's return to the campus. Failure to comply to one of the above in the specified manner will result in a grade of zero for the exam.