

Introductory Macroeconomics
EC 150 Sections A&B, Fall 2006
Tu Th 8.00-9.15, WNS 207 (A), 11.00-12.15, WNS 208 (B)

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Course Description: This course presents an introduction to an important field in economics - macroeconomics. During the semester, we will discuss economic problems such as unemployment and inflation, and we will contrast theories and policy proposals of Keynesian and classical economists. We will also address the topics of banking, financial institutions, monetary policy, taxation, government spending, fiscal policy, wage-price spirals and the tradeoffs between unemployment and inflation in the short and the long run.

Office Hours: Tuesdays and Thursdays: 9.30-10.30am, Wednesdays 10-noon, or by appointment. My office is located on the 5th floor of Warner Science Hall. Outside scheduled times it is easiest to contact me via e-mail, but feel free to stop by whenever my office door is open. Please come and see me as soon as possible if you have any questions or are experiencing difficulties with the course.

Responsibilities – Mine and Yours: *My responsibilities* are to come to class prepared, respond to and encourage questions and other class participation, administer problem sets and grade exams, be available to you during office hours and scheduled appointments, and stimulate enthusiasm for economics and learning.

Your responsibilities are to attend and participate in lecture, complete the assigned readings before coming to class in a timely manner (allowing time to re-read difficult chapters), and be prepared to discuss the readings in class. For a successful completion of the course you also have to complete all assignments on time, and take both midterms as well as a final examination.

Reading: We will be using the 10th edition of “Macroeconomics” by Baumol and Blinder as primary text for the class. We will also be reading “The Roaring Nineties” by Joseph Stiglitz. Both books are available at the campus bookstore. At times I will supplement these texts with additional readings distributed in class or made available on the course website. We will periodically discuss current events that relate to the topic of the course in class on the example of articles taken from major news sources such as the Economist, the Financial Times, the Wall Street Journal, and the New York Times.

Course Website: The website for the course can be found at
<http://f06.middlebury.edu/ECON0150A>

I will use the course website to post assignments and additional readings. You can also use the website to access information such as the course requirements, grading policies, and deadlines for the course. The website also contains an 'Economics in the News' section and a section with interesting links for your reference.

Requirements and Grades: Your final grade for the course will be determined by your performance on 2 midterm exams (20% each), 8 out of 9 homework sets (3% each), one comprehensive final exam (30%) and in-class participation (6%).

The final grading scale will be as follows:

- ≥ 90% A-
- ≥ 80% B-
- ≥ 70% C-
- ≥ 60% D-
- < 60% F

All exams will be closed book and will feature problems and short-answer/essay questions similar to the homework sets. Exam dates are:

Midterm 1: October 3rd, 7-10pm, WNS 207/208

Midterm 2: November 7th, 7-10pm, WNS 207/208

Final Exam: Self-scheduled during exam period

If you miss an exam you will be entitled to a make-up only if you contact me prior to the exam date and provide an excuse from your Commons Dean.

Homework assignments will be posted on the course website at least one week prior to the due date. Assignments are due at the beginning of class on the day noted in the course schedule. Late assignments will be punished at a rate of one letter grade per day, assignments more than three days late will not be accepted. Assignments should be typed in 12pt font with standard margins. Graphs may be drawn by hand on graph paper. Assignments longer than one page should be stapled and should contain your name in the upper right hand corner of each page.

Honor Code: You must sign the honor code on all assignments and exams. For the homework assignments you may consult with your classmates, but the work you turn in must be your own. Moreover, you have to declare the names of peers you discussed the assignment with (write them on the top of the page). Directly copying someone else's work, ideas, or answers is a violation of the honor code and will be punished according to the College rules.

Schedule: Throughout the semester we will roughly follow this schedule. I reserve the right to make adjustments as we progress with the course. Remember you are responsible for reading the assigned chapters **before** coming to class.

DATE	READINGS	ASSIGNMENTS
9/12: Introduction – What is Economics	Baumol and Blinder, Chapter 1	
9/14: The Economy: Myth and Reality	Baumol and Blinder, Chapter 2 Stiglitz, Chapter 1	
9/19: Scarcity and Choice	Baumol and Blinder, Chapter 3	
9/21: Supply and Demand	Baumol and Blinder, Chapter 4	HW1 due at the beginning of class!
9/26: Introduction to Macroeconomics	Baumol and Blinder, Chapter 5	
9/28: Goals of Macroeconomic Policy	Baumol and Blinder, Chapter 6	HW2 due at the beginning of class!
10/3: In Class Review		
10/3: MIDTERM I - Evening Exam, 7-10pm, WNS 207/208		
10/5: Economic Growth	Baumol and Blinder, Chapter 7 Stiglitz, Chapter 2	
10/10: Aggregate Demand and the Powerful Consumer	Baumol and Blinder, Chapter 8	
10/12: Demand-Side Equilibrium: Unemployment or Inflation	Baumol and Blinder, Chapter 9	HW3 due at the beginning of class!
10/17: Midterm Recess – no class		
10/19: The Multiplier with Variable Imports	Baumol and Blinder, Chapter 9, Appendix A and B	HW 4 due at the beginning of class!
10/24: Supply-Side Equilibrium	Baumol and Blinder, Chapter 10 “The Crude Art of Policymaking.” <i>Economist Magazine</i> . 12 June 2004. 76 (available online)	
10/26: Fiscal Policy	Baumol and Blinder, Chapter 11	HW 5 due at the beginning of class!
10/31: Money and the Banking System	Baumol and Blinder, Chapter 12	
11/2: Monetary Policy	Baumol and Blinder, Chapter 13 Stiglitz, Chapters 3 & 6	HW 6 due at the beginning of class!
11/7: In Class Review		
11/7: MIDTERM II - Evening Exam, 7-10pm, WNS 207/208		
11/9: The Debate over Monetary and Fiscal Policy	Baumol and Blinder, Chapter 14 Stiglitz, Chapters 7&8	

11/14: Budget Deficits in the Short and Long Run	Baumol and Blinder, Chapter 15 Rivlin, Alice M. and Isabel V. Sawhill. "How to Balance the Budget." <i>Brookings Institution Policy Brief #130</i> . March 2004 (available online) Ferguson, Niall. "Reasons to Worry" NYT June 11, 2006 (available online)	
11/16: The Trade-off Between Inflation and Unemployment	Baumol and Blinder, Chapter 16	HW 7 due at the beginning of class!
11/21: Screening PBS Frontline: The Secret History of the Credit Card, in class		
11/23: Thanksgiving		
11/28: International Trade	Baumol and Blinder, Chapter 17 Brainard, Lael S. and Litan, Robert E. "Offshoring Service Jobs: Bane or Boon and What to Do?" <i>Brookings Institution Policy Brief #132</i> . April 2004 (available online)	
11/30: The International Monetary System	Baumol and Blinder, Chapter 18	HW 8 due at the beginning of class!
12/5: Globalization and Debunking the Myths	Stiglitz, Chapters 9,11 &12	
12/7: Exchange Rates and the Macroeconomy	Baumol and Blinder, Chapter 19	HW 9 due at the beginning of class!
FINAL EXAM: Self Scheduled		