

**V31.0001 – SECTION 001
ECONOMIC PRINCIPLES I:
INTRODUCTION TO MACROECONOMICS
(AS OF MARCH 14TH)**

COURSE DESCRIPTION:

We can define economics as the study of choice under conditions of scarcity. The objective of this course is to help you understand the behavior and importance of key economic variables, such as total production, economic growth, employment and unemployment, inflation, interest rates, international exchange rates, the federal budget deficit, and more. (Don't worry if you don't know what some or all of these terms mean—that's what the class is for). In this course, you will learn why we care about each of these things, how they are measured, how they behave, and why they behave that way. This is the area of study of *macroeconomics*, as opposed to *microeconomics*, which studies the choices made by individual economic decision-makers (households, firms, workers, and the government) and how these decision-makers interact in markets

CLASS MEETINGS:

The classes are held Tuesdays and Thursdays from 8:00 AM to 9:15 AM in the Silver building, room 703. The course starts January 18th and ends May 3rd.

RECITATION MEETINGS:

Recitation sections will be held once a week, starting in the second week of class, on Friday, January 28th. You can attend any of the sections offered, regardless of which one you are registered in. During recitation, the teaching assistants will present some new material and problems similar to those in the problem sets. They will also answer questions in a smaller group setting. Attendance is not compulsory, but it is recommended, especially if you are having difficulty understanding the course material. A table at the end of the syllabus contains information about your TAs.

TEXTBOOK:

The main (required) textbook for the course is:

- Robert Hall & Marc Lieberman, *Macroeconomics: Principles and Applications*, Thomson South Western, 3rd Edition, 2005.

The book is available for purchase at the NYU Book Center (18 Washington Place). The Active Learning Guide associated with the textbook is also available, but it is optional.

GETTING HELP: OFFICE HOURS:

I hold office hours Tuesdays from 11:30AM to 1:00PM, and Thursdays from 11:00AM to 12:30PM in 269 Mercer, room 822. No appointment is necessary. Please feel free to drop by my office to ask questions, to make suggestions, or even just to introduce yourself. In addition to my office hours, I can answer questions right after class. You can also contact me by e-mail martin.paredes@nyu.edu

In addition, the TAs will be holding office hours Fridays from 11:00AM to 12:30PM, in 244 Greene, room 412. Also, there is a department tutor available for serious, ongoing help if needed.

COURSE REQUIREMENTS:

Your *average score* in the course will be a weighted average of the following:

Problem Sets:	10%
First Midterm Exam:	25%
Second Midterm Exam:	25%
Final Exam:	40%

Your final letter grade will be determined solely from your average score. No extra credit or additional work is offered, and grades cannot be negotiated. All your grades will be posted on Blackboard. I will abide by the grading policy of the Department of Economics for Principles courses, which is as follows:

<u>Grade</u>	<u>Average score ...</u>
A, A-	in the top 19% of the class
B+, B, B-	in the top 53% of the class
C+, C	in the top 83% of the class
C-, D	in the top 96% of the class

I will assign a grade of F ONLY IF you are in the bottom 4% of the class AND your average score is below 50.

EXAMS:

There will be two midterm exams and a final. Both midterms will be held during class time. The final exam will be held on May 9th from 4:00PM to 5:50PM, according to the Final Exam schedule for Spring 2005. There will be no make-up exams, that is, nobody will be allowed to take an exam earlier or later. Students who miss an exam will receive a grade of zero in that exam, *unless* they have documented medical reasons. The final exam is cumulative.

PROBLEM SETS

I will assign **nine (9)** problem sets during the semester. They will be posted on Blackboard for downloading, and your completed answers to the problem sets will be collected one week later

during lecture. The specific date will be written on the respective problem set. If you know in advance that you will miss lecture, make prior arrangements with another student to turn in any problem set that is due. Also, do *not* leave problem sets in my mailbox or your TAs' mailboxes, and do *not* email them.

Problem sets will be graded for completeness. Any problem set turned in on time (usually a Thursday), complete, with serious effort, will receive a grade of 100%. Mistakes will not count against you.

However, I will allow you to turn in your problem set the next day (Friday) during the TA's office hours (11 AM to 12 PM). Late problem sets will receive a grade of 70%. Instructions about the time and location for turning in late problem sets will be included on the problem sets. No problem set will be accepted at any other time or day.

I have also adopted the following policy: the problem set with the **two (2)** lowest grades will automatically be dropped from consideration. In other words, only the best seven (7) will count for your grade. However, you should regard this policy as insurance, and for unpredictable emergencies. Please plan on turning in all of the problem sets. If you turn them all in, you are protected if you cannot do one because of illness, or in the extremely unlikely event that one doesn't get recorded. Once you use up your "lifelines", you are not protected against loss of problem sets or genuine illness.

Starting with Problem Set # 4, I will institute a new policy regarding problem sets. From now on, you will NOT get back your completed problem sets. So, please make a photocopy of your answers, hand in your original with multiple pages stapled, and keep the photocopy for yourself. When the answer sheet becomes available (generally a day or so after the problem sets are due), use your photocopy to see how you did. If you forget to make a photocopy, you can pick up your problem set at your TA's office hours, but you will have to sort through the pile and find it, and then return it after you made your photocopy.

CLASS ATTENDANCE

Attendance is *not* mandatory, but you are responsible for everything covered. If, for any reason, you have to miss a lecture (or part of it), I encourage you to make prior arrangements with another student to take careful notes for you and to sit with you and explain their notes afterward. Please do not ask me or your TAs to "fill you in" on what you missed.

INCOMPLETES:

The Department of Economics does not grant incompletes except in cases of genuine emergencies, which must be documented and approved by the department's Director of Undergraduate Studies. The appeal and documentation must be provided *before* the final exam. Do not assume that you can miss the final exam and make it up later.

COURSE OUTLINE

I. Preliminaries

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| 1. Introduction to Economics. | Ch. 1 & 2. |
| 2. Supply and Demand | Ch. 3 |
| 3. Macroeconomic Aggregates: GDP, Unemployment, Inflation | Ch. 4, 5 & 6. |

II. Macroeconomic Models

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| 4. The Long-Run / Classical Model | Ch. 7, 8 & part of 15. |
| 5. The Short-Run / Keynesian Model | Ch. 9, 10 & rest of 15. |

III. Extending the Short-Run Model

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| 6. Money, Banking and the Economy | Ch. 11 & 12. |
| 7. Aggregate Demand and Aggregate Supply | Ch. 13 |
| 8. Other topics: Inflation and/or Exchange Rates | Ch. 14 &/or 16 |

IMPORTANT DATES TO REMEMBER

Tuesday, January 18 th	First lecture
Friday, January 28 th to Tuesday, February 1 st	First week of recitations
Thursday, February 24 th	First Midterm Exam
Thursday, April 7 th	Second Midterm Exam
Thursday, April 28 th	Last lecture
Friday, April 29 th to Tuesday, May 3 rd	Last week of recitations
Monday, May 9 th	Final Exam

SCHEDULE OF RECITATIONS

Day	Time	Location
Friday	8:00 AM to 9:15 AM	Silver 802
Friday	9:30 AM to 10:45 AM	Silver 802
Monday	3:30 PM to 4:45 PM	Silver 802
Monday	4:55 PM to 6:10 PM	Silver 701
Tuesday	11:00 AM to 12:15 PM	Silver 401
Tuesday	2:00 PM to 3:15 PM	Silver 710

INFORMATION ABOUT YOUR TEACHING ASSISTANTS

Name	E-mail	Responsible From:	To:
Tanmay Rajpurohit	tanmay@nyu.edu	January 28 th	February 24 th
Artem Voronov	artem.voronov@nyu.edu	February 25 th	April 7 th
Ashok Mathew	ashok@nyu.edu	April 8 th	May 3 rd