

**Introduction to Macroeconomics  
Economics 0115  
Biddle 124, TuTh 9:30-11  
Spring Term, 2013-2014**

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**Course objectives:**

This course is meant to introduce the student to the issues of modern macroeconomics -- long-run economic growth, inflation, unemployment, the role of money in the economy, and international macroeconomic issues. We will develop the tools needed to analyze these issues effectively, and your demonstrated mastery of the macroeconomic models and concepts covered in class will determine your grade in this course.

**Course textbook:**

Karl E. Case, Ray C. Fair, and Sharon M. Oster, *Principles of Macroeconomics*, 9th Edition. Prentice Hall, 2009.

**Course website:**

My macroeconomics website may be accessed through the UPJ Economics Department website:

<http://www.pitt.edu/~upjecon>. Follow the links from my name to the macroeconomics course. You will find links to the on-line syllabus, and to notes and assignments which I will add to over the course of the term.

**Study hints:**

**Master the vocabulary thoroughly.** Be sure that you can make distinctions between closely related concepts (such as the price level and inflation, or the different types of unemployment), and can relate concepts to one another precisely rather than vaguely (What is the difference between real and financial investment? Real and nominal interest rates? Exactly how are the number employed and the unemployment rate related? How is it possible for the number employed to increase and the unemployment rate to go up? Can a country have a trade surplus and an inflow of financial investment at the same time?)

**Economics is a problem-oriented subject.** Pay particular attention to all numerical and graphical problems in the text or at the end of the chapter. The end of chapter problems will be the model for many of the questions on quizzes or exams. If you don't see how the answer was arrived at, check with me after class or during my office hours or anytime you see my office door open. I usually find that a minute or two is enough to set students on the right track if they have made a serious effort to solve the problem before coming to see me.

See the web page for more study hints, including my 10-step program to mastery of economics and links to videos on how to most effectively take notes, read the text and integrate it with your lecture notes, and develop a plan of study.

**E-mail:** My e-mail account is [mgahagan@pitt.edu](mailto:mgahagan@pitt.edu). You are welcome to e-mail me with substantive questions. However, it is your responsibility to be or to become aware of the material covered in class each day, and of the material which will be covered on the next exam. I will not answer e-mails on these topics. In e-mailing, please use your Pitt account, include a subject line and sign your name. My e-mail filters are set up to shuffle to lower priority folders or to delete e-mails which use other accounts, use no subject line, or which are not signed.

## **Examinations and grading.**

Your grade for this course will be determined by your performance on 3 in-term exams and a final examination. In-term exams will be curved by being indexed to an appropriate score, as will the final exam. See the document on my web page, "Curving Grades", for details) Note that a curved average exam score of 65 percent will be necessary to pass the course; C will require a curved score of 70 percent, B of 80 percent, and A of 90 percent.

Any violation of academic honesty (plagiarism, use of unauthorized materials or cheating during an exam) will result in a minimum penalty of a zero on the exam or assignment. I reserve the right to decide when a violation of academic honesty is serious enough to result in failure in the course or refer the violation to college authorities for further action.

If will you have serious and documented reasons for missing an exam – not including failure of automobiles to start or alarm clocks to go off - I will average other exams in place of the missed exam.

Exams will automatically be delayed if snow emergency conditions exist. I will also if time permits, announce them on the UPJ web page (see Weather-Related Cancellations and Instructor-Cancelled Classes at <http://www.upj.pitt.edu>)

### **Students with Disabilities:**

Students with disabilities requiring special seating for class or any special accommodations on examinations must present me with a letter from the Office of Disability Services before any such arrangements can be made. Since it takes time to process such letters, you should not delay in making arrangements.

### **Very Brief Course Outline.**

Dates (except for the final) and exact exam coverage are subject to change at the discretion of the instructor.

#### **I. Basic Macroeconomic Concepts: Circular flow, Supply and Demand, and National Income (ch. 3-7) Exam I**

#### **II. The Keynesian Model and Fiscal Policy. (Chapters 7-9)**

#### **III. Money and the Economy (Chapters 10-11)**

##### **Exam II**

Note: since Friday, Mar. 8 is the last date to withdraw, the date is firm, but coverage may exclude chapters 10 and/or 11 depending on the amount of class time we can devote to them.

#### **IV. Aggregate Demand and Aggregate Supply (Chapters 12-13)**

#### **V. The Labor Market (Chapter 14)**

#### **VI. The World Economy (Chapters 19-20)**

### **Final examination: Date to be announced**

Note that the final exam will be comprehensive. You should expect questions on supply and demand, national income and the Keynesian model to account for about a third of the final.

## **Attendance and class participation**

Attendance is expected. Seats will be assigned and roll will be taken, and your grade will be reduced by a full letter grade for each unexcused absence in excess of three. Any prolonged absence (two or more classes in a row) requires an excuse from the office of Academic Affairs (see Diane Lenio on the lower level of Owen Library)

It is your obligation when absent to send me an e-mail, with the subject header "Macroeconomics – class absence" and an explanation of that absence. More than 8 absences, whether excused or unexcused, means that such a large portion of the class has been missed that I cannot in good conscience give you a grade other than a failing grade for the course unless there are truly extraordinary circumstances, confirmed by the AVPAA.

Class participation also requires avoiding not only major disruptions to the class, but minor disruptions such as late arrival (more than 5 minutes late will be counted as an absence), use of cell phone or computer (for texting as well as conversation), use of audio or video players or other electronic equipment, repeated leaving of the classroom during the class session, and inappropriate conversation. You will be asked to leave the room and be considered absent for any class session in which I find your behavior inconsistent with reasonable class participation. Such absences will be double counted in determining your grade.

## **Accommodation for Students with Disabilities**

If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact me and the Office of Health and Wellness, G-10 Student Union Building, 269-7119 to schedule an appointment as early as possible. That office will verify your disability and determine reasonable accommodations for the course.

## **Add/Drop**

The period to add or drop a class will end on Friday, March 8, 2013. Any student wishing to add or drop after that date must have my approval and the Academic Affairs office. Such approval is granted only for very serious reason.

## **Incomplete grades**

Incomplete grades will not be given in this class except in truly extraordinary circumstances, and with the permission of both the instructor and Associate Vice President for Academic Affairs. If permission is given, the work for the course must be completed within the time set by the instructor, which will in no case extend longer than one semester.