

# Econ 1101: Macroeconomic Principles

## Semester: Spring 2021 (Section 003)

**Instructor:** Shuoshuo Hou (Margaret Hou)

### Contact information

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(**Note:** I have two sections, so please specify your section or class time in your email, thanks!)

**Office Location:** Ritter Hall Annex 843, but we need to meet via **Zoom** during the Spring semester.

(**Note:** Once you book an office hour through the “Canvas---Calendar”, I will send you a specific **Zoom** link for office hour meeting. This link will be different from our class **Zoom** links.)

**Office Hours:** Monday & Wednesday & Friday 1:00pm~1:50pm or by appointments via **Zoom**

**Class Meets:** Monday & Wednesday & Friday 3:00pm~3:50pm, ONLINE via **Zoom**

### Prerequisites

Math 0702 or equivalent. In particular, the knowledge of elementary algebra, especially solving equations, including exponential and logarithmic equations and systems of two linear equations is extremely helpful.

### Textbook

Acemoglu, Laibson and List: *Macroeconomics*. Custom Edition for Temple University, Pearson. **We will use [MyEconLab](#) for all homework assignments and exams, so purchasing an access code is required for our course.** I will provide more information in the file “MyEconLab\_Instruction\_003” on “Canvas---Modules---Week One”.

#### Note:

1. The custom edition for Temple University includes two additional chapters relative to the regular edition and is priced at a significant discount. It can either be purchased at the bookstore (hardcopy with MyEconLab access code) or directly from Pearson (e-text with MyEconLab access code).
2. This text is significantly different from the old Temple editions by Parkin, so you cannot use a Parkin textbook as a substitute.

### Class Recording Use Policy:

1. All **Zoom** meeting links (regular classes) will be provided at “Canvas---Zoom---Upcoming Meetings”. You should receive emails about meeting information once I create them. Also, recordings for regular classes will be available by the end of the same class date for reviewing, which are located at “Canvas---Zoom---Cloud Recordings”.
2. Any course or meeting recordings permitted in this class (online or in-person) can only be used for the student’s personal educational use. Students are NOT permitted to copy, publish, or redistribute audio or video recordings of any portion of the class session to individuals who are not students in the course or academic program without the express permission of the faculty member and of any students who are recorded. Distribution WITHOUT permission may be a violation of educational privacy law, known as FERPA as well as Pennsylvania Wiretapping and Electronic Surveillance Control Act and possibly copyright law. Any recordings made by the instructor or university of this course are the property of Temple University. There is an exception in cases of an approved accommodation from the Office of Disability Resources (DRS). Please let me know in advance if that applies to you.

## **Disability Policy**

This course is open to all students who meet the academic requirements for participation. Any student who has a need for accommodation based on the impact of a documented disability, including special accommodations for access to technology resources and electronic instructional materials required for the course, should contact me privately to discuss the specific situation by the end of the second week of classes or as soon as practical. If you have not done so already, please contact Disability Resources and Services (DRS) at 215-204-1280 in 100 Ritter Annex to learn more about the resources available to you. I will work with DRS to coordinate reasonable accommodations for all students with documented disabilities.

**Statement on Academic Freedom:** Freedom to teach and freedom to learn are inseparable facets of academic freedom. The University has adopted a policy on Student and Faculty Academic Rights and Responsibilities (Policy # 03.70.02) which can be accessed through the following link:

[http://policies.temple.edu/getdoc.asp?policy\\_no=03.70.02](http://policies.temple.edu/getdoc.asp?policy_no=03.70.02).

## **Course Learning Objectives:**

This course is designed to teach you the core foundations of economics and provide you with a structured and analytically sound understanding of key issues in macroeconomics: growth, unemployment, inflation, and business-cycle fluctuations. In particular, after completing this course you will be able to:

1. Understand and analyze factors affecting the behavior of consumers, firms, and societies.
  - Rational decision making implies thinking in terms of marginal analysis.
  - Scarcity implies that trade-offs exist and that every choice has an opportunity cost.
  - Differences in opportunity cost imply that gains accrue to all parties engaged in a trade.
2. Understand and analyze how markets work:
  - Demand and supply together determine equilibrium price; prices allocate scarce resources in market economies.
  - Analyze the impact of economic events on markets.
3. Understand how key economic variables are computed:
  - GDP as a measure of economic activity
  - The difference between nominal and real variables
4. Understand the sources for differences in economic activity across time and space.
  - Innovation and entrepreneurship as a source of long-run economic wealth.
  - The role of economic institutions in shaping incentives for economic activity.
5. Understand how labor and credit markets work.
6. Understand short-run economic fluctuations and the economic policy responses to these fluctuations.

## **A Note to BBA Students**

The concepts and skills you learn in ECON 1101 will be revisited in your other BBA (Core) Courses. In Econ1101 we discuss how consumers and firms make rational economic decisions (re: BBA goal 1) and how they interact with each other in a market. We then apply the concept of market demand and supply to analyze capital and labor markets (re: BBA goal 2), arguably the two most important markets in the economy. We also apply the concept of demand and supply to understand business cycle fluctuations and discuss potential government policy to dampen the impact of these fluctuations (re: BBA goal 2). Throughout the semester you will work with economic data related to the topics we discuss, honing your

quantitative reasoning skills (re: BBA goal 3). You can find the BBA program goals here:  
<https://www.fox.temple.edu/undergraduate-bba/learning-goals/>

### **Attendance Policy:**

1. Attendance will be taken each class (besides the first one and exam days), so you must sign in every class through “Canvas---Attendance---Quickly”. You can sign through either your phone or your computer. If you choose to sign in through your phone, you need to first download and install the free Canvas Student App (<https://community.canvaslms.com/docs/DOC-4048>) for iOS or Android. Second, open the Canvas app, navigate to our course, select “Attendance”, and click “Check in”. The “Check in” option will be available the entire class (M, W & F 3:00pm~3:50pm, 50 minutes). Make sure to get the Canvas app in advance.
2. Proofing attendance through “Canvas---Attendance--- Quickly” is student’s responsibility. **You will lose attendance points even if you just forget to “Check in”.**
3. You have two free absences.
4. If you feel unwell or if you are under quarantine because you have been exposed to the virus, you should not come to campus, and you will not be penalized for your absence. Try to email me in advance about your absence due to Covid-19 related illness, and I will make an accommodation towards our course for you. Please be honest in representing class attendance. For more information on this, please see the file “Protocol: COVID-19 Class Attendance and Engagement”.

### **Homework Policy:**

1. Late homework will receive ZERO. No exceptions unless valid official documents can be provided. Do not copy other’s work.
2. One of your lowest MyEconLab assignment grades will be dropped.
3. Review homework details will be announced after the second midterm, and its grade will NOT be dropped.

### **Remote Proctoring Policy and Academic Honesty:**

1. I will proctor the exam via a **Zoom** meeting scheduled on the exam date (link will be provided on Canvas). You **MUST** join the **Zoom** meeting, turn on your video, and place the camera where I can see your face clearly while taking the exam. If **Zoom** is not compatible with the Lockdown Browser in your laptop or desktop computer, you **MUST** switch to another device to log into **Zoom**. (Please be prepared for this!) If you **DO NOT** show up in the **Zoom** meeting, or I cannot see you clearly during the exam, or I find some suspicious activities, I will report your name to your department. (**Note:** The exams will be taken under the Lockdown Browser, therefore, it needs to be installed before the exam. I will make a fake exam for you to download the Lockdown Browser in advance.)
2. If you don’t have a camera on your computer or you need other technology assistance, you might go to [Temple Technology Assistance](#) for help. **Please be prepared for this ASAP and do not wait until the exam date.**  
*“Limited resources are available for students who do not have the technology they need for class. Students with educational technology needs, including no computer or camera or insufficient Wifi-access, should submit a request outlining their needs using the Student [Technology Assistance Application form](#). The university will endeavor to meet needs, such as with a long-term loan of a laptop or Wifi device, a refurbished computer, or subsidized internet access.”*
3. Students once found cheating on an exam or assignment will receive a failing grade for the exam or assignment and a strong possibility of failure for the course. Additionally, students who have

violated the University’s cheating policy may find their behavior brought before the University Discipline Committee. Students should be aware of the Code of Conduct rules that govern both students and faculty. These can be found at: <https://bulletin.temple.edu/undergraduate/about-temple-university/student-responsibilities/#academichonesty>

**Missed Examinations**

You must take all exams at assigned time unless you can provide a valid, verifiable reason for failing to do so. Examples of valid excuses include significant illness or injury and death of a close relative.

**Verification must be provided.** Furthermore, you must meet with me and answer a few short questions relating to the course content to prove that you indeed prepared to take the test. Failure to comply with any of the above conditions will result in a “zero” for the exam.

**Grading Policy:**

Attendance/Participation: 5%

Homework: MyEconLab assignment 22% + one review assignment 3%

Two Midterms and Final Exam: 70% in total

**NO ROUNDING UP. NO EXTRA CREDIT UNLESS ANNOUNCED.**

I shall assign final grades STRICTLY according to the following grid:

94-100: A	90-93: A-	87-89: B+
83-86: B	80-82: B-	77-79: C+
73-76: C	70-72: C-	67-69: D+
63-66: D	60-62: D-	0-59: F

**Exams:** There are two midterm exams and one final exam. Tests are closed book. Midterms are 50 minutes long via “Canvas---MyEconLab”. The midterm date and guidance will be specified in the class at least one week prior. Final exam is scheduled by Temple University, which is on **05/03/2021 (Monday) from 1:00pm to 3:00pm ONLINE via “Canvas---MyEconLab”.**

The exam grade is composed as follows:

$$0.4 * \text{Final Exam} + 0.3 * \max \{ \text{Mid-I; Mid-II} \} + 0.3 * \max \{ \text{final; min} \{ \text{Mid-I; Mid-II} \} \}$$

In other words, if you do better on the final exam than your lower midterm, the final will replace that midterm. In that case, the better midterm counts for 30% and the final counts for 70% of the exam grade. If you do worse on the final exam than the lower midterm, both midterm count for 30% and the final counts for 40% of the exam grade.

This is subject to the provision that you achieve a grade of at least 30% in both midterm exams. If you do achieve a grade below 30% in either of the midterms, then both midterms count for 30% each. This implies that you cannot discard one of the midterm exams by submitting an empty exam paper.

**Extra Credit**

1. Participation Bonus: 3 points

Students who actively participate class activities will receive a 3-point-bonus added directly to their total grades.

2. If there are other bonus opportunities (not guaranteed), I will announce later in the class.

**Topics:**

*Chapter numbers based on Temple custom issue, and please note that the topics are subject to change.*

**Week One:** Introduction & Economic Basics

1. Go over syllabus, especially talk about how to submit homework and conduct exams.
2. Introduction and Opportunity Cost; chapters: 1.1-1.3
3. Optimization & Marginal Analysis; chapter 4.1 4.3

**Week Two:** Economic Basics

1. PPF, Comparative Advantage & Trade; chapters: 3.1-3.2, 16.1
2. Demand and Supply; chapter: 5.1-5.2

**Week Three:** Economic Basics

1. Demand and Supply; chapter: 5.3-5.4

**Week Four:** Economic Basics and Measuring Output

1. Measuring GDP and Economic Growth; chapter 6

**Week Five:** Midterm week

1. Measuring Nominal and Real GDP, Inflation; chapter 6
2. Midterm one review

**Week Six:** Macroeconomic outcomes

1. Midterm one
2. Measuring Nominal and Real GDP, Economic Growth, Inflation; chapter 6

**Week Seven:** Macroeconomic outcomes

1. Measuring Nominal and Real GDP, Economic Growth, Inflation; chapter 6
2. Aggregate Production Function & Productivity; chapter 7

**Week Eight:** Macroeconomic outcomes

1. Aggregate Production Function & Productivity; chapter 7
2. Long Run Economic Growth; chapters 8.1-8.2
3. The Labor Market; chapter 11

**Week Nine:** Macroeconomic outcomes

1. The Labor Market; chapter 11
2. The Credit Market; chapter 12.1

**Week Ten:** Midterm Week

1. Midterm two review
2. Midterm two

**Week Eleven:** Credit Markets and Money

1. The Credit Market; chapter 12.1
2. Banking 12.2-12.3

**Week Twelve:** Credit Markets and Money

1. Money, Inflation, and The Federal Reserve; chapters: 13.1-13.5

**Week Thirteen:** Macroeconomic Fluctuations

1. The Short Run Model; chapter 14

**Week Fourteen:** Macroeconomic Fluctuations:

1. The Short Run Model; chapter 14
2. Countercyclical Policy; chapter 15

**Week Fifteen:** Study Week

**Week Sixteen:** Final Exam Date: 05/03/2021 (Monday) from 1pm to 3pm