

**Economics 576.01W**  
**Macroeconomic Theory and Policy**  
**Fall 2012**

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**REQUIRED TEXT:** There is not a required text. Required materials will be posted in DocSharing or else a link will be provided. I recommend that you have access to any standard macroeconomics principles text (list included in DocSharing) for review and/or background.

**ABOUT THE COURSE - GENERAL FOCUS:** Macroeconomics deals with the **aggregate** level of economic activity. Macroeconomic Theory and Policy focuses on several central questions:

- 1) What can we (reasonably) expect of the macroeconomy?
- 2) How do we evaluate performance on the macro level?
- 3) What makes the economy tick (or fail to tick)?
- 4) What happens when the macroeconomy fails to perform up to par?
- 5) Can we/how can we make the economy tick more smoothly?

**Webinars:** A Class Live Pro Webinar is scheduled for each week. Times and days will be announced after the semester starts based on the best available times. It is strongly recommended that you participate in these sessions. However, in case you are unable to participate at the scheduled time, the Webinars are recorded and you can watch/listen at any time after it is completed. In case you do miss a webinar, it is important that you access the recorded session as soon afterward as possible—sooner is preferable to later. The purpose of the Webinars will be to provide perspective relative to the material, to focus on and emphasize major topics and concepts, and to answer questions on the material. They generally will not involve lecture in the traditional, face-to-face, sense of the word.

**Access to Webinars:** Access to the Webinar is through eCollege. Log in to your eCollege course. Next click on “Live” and then “Class Live” from which you will click on “Join Session.” Recorded sessions may be found on the Class Live page at “Session Archives.”

**Tentative Outline/Schedule – Assignments and Materials**

Week 1-3 (August 27 – September 14)

Introducing Macroeconomics  
Reading: The Broken Window (macro/micro)  
Rational (macroeconomic) Policy Making

Week 4-6 (September 17 – October 5)

Macroeconomics- Measuring and Assessing Macro  
Performance  
Macro models introduced **Materials**

	Aggregate Demand – Aggregate Supply Macro Macro 1 (DocSharing)
Week 7-9 (October 8 – October 26)	Simple Keynesian Model Macro Macro 2 (DocSharing) <b>Exam I – TBA</b>
Week 10-12 (October 29 – November 16)	Expanding the Macro Model Equilibrium Income and Multipliers
Week 13- 16 (November 19 – December 7 )	The basic model; critique/limitations of model; Alternative Views of the Macroeconomy <b>Exam II – TBA</b>

### **COURSE GRADE:**

There will be either four components (your choice) to your course grade. First, there will be **two exams (25% of your grade each)**. Exam I, which will cover material assigned for the first three sections of the term, and will be available for the 60 hour period on **TBA**. Exam II, which will be comprehensive, will be on **TBA**. The two exams will carry equal weight toward determination of your final course grade. **Mark these exam dates on your calendar as soon as they are announced. “Forgetting,” being “out of town” or “confused” about the time that the exam is available is not an acceptable excuse for missing it.**

Second, there will be two **required special projects (25%)** in the course. These will involve individually researched and written papers regarding different topics/aspects of the course. You will have approximately one week’s notice before each of the paper is due. The topic should relate to macroeconomic theory and policy (You may wish to consult list of possible topics), should be approximately 10-15 pages in length, and should be well organized, written, edited, and documented. Term papers are due by midnight, on **TBA—NO EXCEPTIONS**. For specifics, including topic suggestions and requirements/expectations, see About Term Paper. Your last component is the class participation which will be based on your input in Virtual Office. You are expected to participate in each topic posted on Virtual Office.

Plan well in advance for the exams; there will be no early exams and no make-up exams. An exam that is missed will be considered an F, unless your professor is notified prior to the exam and the excuse is a legitimate medical one or officially approved. Regardless of the excuse, if you miss two tests you will automatically fail the class. Assignments will be announced in the class; it is your responsibility to keep up with the assignments. Late assignments will not be accepted. Course grades will be assigned as:

90 – 100 %	A
80 – 89 %	B
70 – 79 %	C
60 – 69 %	D
Below 59 %	F

### **Nature of the Course/Material**

Keep in mind that Economics 576 is a graduate level course in aggregate economics. A course in Macroeconomic Principles is a prerequisite for Economics 576. Please note that the concept of

“prerequisite” is not about a check mark—it has to do with one’s background regarding preparedness to handle the material. Consequently you should have a general familiarity with and understanding of, the basic terminology and tools of macroeconomic analysis before you start this course. It is important that you not start the course already behind. In case you have not taken any economics in several years, or if your course in macroeconomics was an institutional/non-analytical course, you may wish to check a modern principles text and/or course syllabus to update yourself on what is included in a macro principles course. Additionally, since macroeconomics is, to a high degree, about relationships between different variables and responses to autonomous changes, shocks and/or policy changes in the economy, we will spend some time on multipliers. Multipliers are about numbers. Consequently, we will use some very elementary algebra to analyze the concept. This certainly will not be more advanced than a high school, first level course in algebra. And while you will not be required to solve algebra problems, you will need to be able to follow and understand material that is algebra based. If you are uncomfortable with the idea that the course will involve some elementary algebra, you may want to review a bit before the course begins, or re-think your decision to take this course during a fast-paced summer session.

### **HINTS FOR MAKING A GOOD GRADE IN THIS COURSE**

1. Note the prerequisite requirements.
2. Attend the Webinars—come prepared, ask questions if you do not understand the material and/or assignments, stay alert and take good notes. If unable to participate in the actual webinar, access the recorded version as soon afterward as possible.
3. Read and study materials when assigned. Falling behind in an online class can be fatal (grade-wise, of course). Additionally, Webinar sessions and class assignments make more sense if you come prepared
4. Turn in all projects and take exams on time—and in proper form (see below). Mark exam dates on your calendar **as soon as they are assigned**. Missing an exam is a very poor strategy for passing the course.
5. All assignments--tests and projects--are individual (not group) assignments. Make sure that the materials you submit reflect your (exclusive) work.
6. When you don’t understand material, ASK QUESTIONS—either in the Webinar, by email, phone, or even make an appointment to come by my office. As soon as you realize that you are having problems in the course, contact me.

### **Suggestions for submitting written assignments:**

1. Save a backup copy when you submit. It may contain material or concepts that you will wish to review for the upcoming exam.
2. Put the assignment in your own words—**DO NOT SEND ME ANY CUT AND PASTE ATTACHMENTS**. I do not care to read National Bureau of Economic Research generated material about the NBER (relative, for example, to an assignment regarding business cycles). Tell me what **you** have to offer—but stick to facts and analysis, not unsupported opinion.
3. Put the assignment in your own words—**DO NOT SEND ME A PAPER THAT IS IDENTICAL TO THAT SUBMITTED BY YOUR FELLOW CLASSMATE**. The assignments are not group projects.

### **RULES, REGULATIONS AND OTHER STUFF**

- ✓ All students enrolled at the university shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment.
- ✓ Students with Disabilities: The Americans with Disabilities Act (ADA) is a federal anti-

discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact: Office of Student Disability Resources and Services, Texas A&M University-Commerce, Gee Library, Room 132. Phone (903) 886-5150 or (903) 886-5835. Fax (903) 468-8148. [StudentDisabilityServices@tamuc.edu](mailto:StudentDisabilityServices@tamuc.edu)

✓ Plagiarism represents disregard for academic standards and is strictly against University policy. Plagiarized work will result in an “F” for the course and further administrative sanctions permitted under University policy. Guidelines for properly quoting someone else’s writings and the proper citing of sources can be found in the APA Publication Manual. If you do not understand the term “plagiarism”, or if you have difficulty summarizing or documenting sources, contact your professor for assistance. The College of Business and Technology at Texas A&M University-Commerce students will follow the highest level of ethical and professional behavior. Actionable Conduct includes illegal activity, dishonest conduct, cheating, and plagiarism. Failure to abide by the principles of ethical and professional behavior will result in sanctions up to and including dismissal from the university.

**Learning Statement for FIN 576**

	<b>Unsatisfactory</b>	<b>Emerging</b>	<b>Proficient</b>	<b>Exemplary</b>
Relative to macroeconomic performance	Student can't demonstrate understanding of the components.	Student makes serious errors with regard to the significant issues of the question or problem being examined, but at least demonstrates knowledge of some of the major points of the issues.	Student demonstrates understanding of the major points of the issues being examined but does not demonstrate understanding of all the details of the issue.	Student can demonstrate a thorough knowledge of the issue being examined.
Relative to discretionary stabilization policy	Student cannot demonstrate an understanding of regression analysis.	Student makes serious errors with regard to the significant issues of the question or problem being examined, but at least demonstrates knowledge of some of the major points of the issues.	Student demonstrates understanding of the major points of the issues being examined but does not demonstrate understanding of all the details of the issue.	Student can demonstrate a thorough knowledge of the issue being examined.
Relative to macroeconomic theory	Student cannot demonstrate an understanding of univariate methods.	Student makes serious errors with regard to the significant issues of the question or problem being examined, but at least demonstrates knowledge of some of the major points of the issues.	Student demonstrates understanding of the major points of the issues being examined but does not demonstrate understanding of all the details of the issue.	Student can demonstrate a thorough knowledge of the issue being examined.

FIN 576 is an elective for MS Finance and MBA.