Intro to Macroeconomics

An Open Access Course

## Course Details

### Instructor’s Contact Information

Instructor: B. Oak McCoy

Office: Filene 216

Email: [bmccoy@skidmore.edu](mailto:bmccoy@skidmore.edu)

Office Hours:

* Tuesday 5:40 p.m. – 6:30 p.m.
* Wednesday 10:00 a.m. – 12:00 p.m.
* and by appointment

### Course Meeting Times and Location

#### Ec103-3

Lecture Day and Time: Tuesday and Thursday 9:10 a.m. – 11:00 a.m.

Lecture Location: Bolton 100

#### Ec103-4

Lecture Day and Time: Tuesday and Thursday 3:40 p.m. – 5:30 p.m.

Lecture Location: Bolton 280

## Course Information and Resources

### Course Description

An introduction to national income analysis, money and banking, and balance of payments. The course deals with theory and policies of a mixed economy, using the United States as a prime example. Emphasis is placed upon the determination of public policies to solve the problems of unemployment, inflation, and stable economic growth.

### Intended Outcomes:

In keeping with the liberal arts tradition and educational goals, the economics department aims to support the students’ growth in critical thinking, problem solving, and communication skills. This course stresses the application of the scientific process to economic phenomena and analyzes the ways in which economic forces affect national policies and issues.

#### Information Literacy.

Students will be able to:

1. Understand and interpret both mathematical and graphical presentations of economic models.
2. Identify, find, cite process and interpret current and historical economic data to communicate information about related economic phenomena.

#### Visual Literacy.

Students will be able to:

1. Interpret, create and use graphical representations of theoretical models and understand their limitations.
2. Interpret, create and use graphical and tabular representations of data and empirical models and understand their limitations.
3. Utilize clear and appropriate labels and captions for graphs, tables and images.
4. Use visuals in their written work and presentations, including graphs and tables representing data or theoretical and empirical models, to effectively summarize research and communicate information.

#### Technology literacy.

Students will be able to:

1. Retrieve data and import it to R.
2. Use R to create graphical and tabular representations of data.

#### Oral Communication.

Students will be able to:

1. Explain economic phenomena using models and acknowledge the limitations of those models.
2. Discuss data summaries presented in graphs and tables.
3. Work in groups to do assignments/projects/presentations and/or provide critique to peers’ work.
4. Present (informational or advocatory) to economists and non-economists alike.

### Required Text:

The required text can be obtained for FREE by following the link below.

[Core’s](http://www.core-econ.org/) The Economy

### Required Software:

The required software can be obtained for FREE by following the link below.

[Link to the R-project website](https://www.r-project.org/)

The software is also accessible on all school computers.

You may also find it beneficial to check out the integrated development environment for R produced by R-studio that I will be utilizing during in-class demonstrations; this software can also be obtained for free by following the link below.

[Link to R-studio website](https://www.rstudio.com/products/rstudio/download/)

### Additional Course Materials:

Additional readings and/or videos are available through the library, on Blackboard, or handed out during lecture.

## Course Outline:

The following outline is tentative and subject to modification, the only exception is the Final Examination as determined by the registrar.

### The Modules. Schedule for Lectures, Class Activities/Discussions, and Assigned Readings.

All assigned readings need to be completed before the course session under which they are listed.

#### Module 0. The Syllabus

* Thursday 9/5
  + **Lecture:** Syllabus

#### Module 1. Introduction to Economics: using models to understand empirical observations.

* Tuesday September 10
  + **Lecture:** The Capitalist Revolution
  + **Read:** Unit 1
* Thursday September 12
  + **Lecture** (first half of class): The capitalist revolution.
  + **Discussion** (second half of class): Economic Outcomes and Political Processes
  + **Read:** [“Inequality is a threat to our democracy.”](https://www.ft.com/content/47e3e014-e3ea-11e7-97e2-916d4fbac0da) In addition, find another article that is related and come prepared to discuss.
* Tuesday September 17
  + **Lecture:** Technology, population, and growth.
  + **Read** Unit 2
* Thursday September 19
  + **Lecture:** Technology, population, and growth.

#### Module 2. Labor markets: determining wages, employment, and the distribution of income.

* Tuesday September 24
  + **Lecture:** The profit maximizing firm with the power to set prices.
  + **Read:** Unit 7’s Introduction, 7.1, 7.3, 7.4, 7.5, and 7.8
* Thursday September 26
  + **Discussion:** Social costs of business enterprise and the desires that motivate behavior.
  + **Class activity:** Affluenza. A 1998 documentary by PBS.
  + **Read:** Excerpt from Ven Payutto’s Buddhist Economics: A Middle Way for the Market Place. Available on Blackboard.
* Tuesday October 1
  + **Lecture:** The capital-labor interaction as a principal-agent problem and its influence on wages, work, profits, and the entire economy. (Part 1).
  + **Read:** Unit 6
* Thursday October 3
  + **Lecture:** The capital-labor interaction as a principal-agent problem and its influence on wages, work, profits, and the entire economy. (Part 2).
* Tuesday October 8
  + **Lecture:** Determining the national level of employment and distribution of income between capital and labor. (Part 1).
  + **Read:** Unit 9
* Tuesday October 10
  + **Lecture:** Determining the national level of employment and distribution of income between capital and labor. (Part 2).

#### Module 3. Financial system: credit, money, and banks.

* Tuesday October 15
  + **Lecture:** The influence of preferences and endowments on the intertemporal decision: to save, to borrow, or to invest.
  + **Read:** Unit 1
* Thursday October 17
  + **Lecture:** The banking system. Commercial banks: money creation and credit rationing, another principal-agent problem. The central bank: a first peek at the role of the policy rate.

#### Exam

* Tuesday October 22
  + **Lecture:** Review
* Thursday October 24
  + **Midterm**

***Module 4. Boom and bust and the measures to help us understand fluctuations in output, employment, and prices.***

* Tuesday October 29
  + **Lecture:** Measuring outcomes to better understand capitalism’s inherent instability. (Part 1)
  + **Read:** Unit 13
* Thursday October 31
  + **Lecture:** Measuring outcomes to better understand capitalism’s inherent instability. (Part 2).

***Module 5. Policy makers: the pursuit of full employment and price stability.***

* Tuesday November 5
  + **Lecture:** Fiscal policy and the multiplier model, understanding the role of the government in addressing the instability and tendency to less-than-full employment. (Part 1).
  + **Read:** Unit 14
* Thursday November 7
  + **Lecture:** Fiscal policy and the multiplier model, understanding the role of the government in addressing the instability and tendency to less-than-full employment. (Part 2).
* Tuesday November 12
  + **Lecture:** Monetary policy under an inflation-targeting regime. The pursuit of maximum employment and price stability. (Part 1).
  + **Read:** Unit 15
* Thursday November 14
  + **Lecture:** Monetary policy under an inflation-targeting regime. The pursuit of maximum employment and price stability. (Part 2).

***Module 6. How we can use economics to understand the world we live in and to address challenges that face our society.***

* Tuesday November 19
  + **Lecture:** Using what we’ve learned to understand significant historical events: the great depression, the golden age, and the global financial crisis. (Part 1).
* Thursday November 21
  + **Lecture:** Using what we’ve learned to understand significant historical events: the great depression, the golden age, and the global financial crisis. (Part 2).

***Module 7. The prof’s research interests: a segmented labor market and a policy which promotes an inclusive provisioning process.***

* Tuesday November 26
  + **Lecture:** The job creation and destruction process in a segmented labor market.
  + **Read:** Unit 16.2 & 16.3. Additional suggested reading posted on blackboard.
  + **Discussion:** Technological progress, increased living standards or out of work?
  + **Read:** [How unprepared we are for the robot revolution.](https://www.ft.com/content/8ca02430-104f-11e6-839f-2922947098f0) In addition, find another article that is related and come prepared to discuss.
* Tuesday December 3
  + **Lecture:** How employment policy can address the racial, gender, and class inequities that permeate social and economic relations.
  + **Discussion:** Do we need a job guarantee?
  + **Read:** [Employment policy to democratize the economy and empower workers.](https://www.jacobinmag.com/2017/02/federal-job-guarantee-universal-basic-income-investment-jobs-unemployment/)

[In search of a more moral economy.](https://newrepublic.com/article/155249/spreading-gospel-modern-monetary-theory)

* + In addition, find another article that is related and come prepared to discuss.

***Module 8. Your research interests.***

* Thursday December 5
  + **Activity:**  Group project presentations.

## Assignment Due Dates and Exam Dates

### Unit Assignments

* Unit 1 due September 13
* Unit 2 due September 20
* Unit 7 due September 27
* Unit 6 due October 4
* Unit 9 due October 11
* Unit 10 due October 18
* Unit 13 due November 1
* Unit 14 due November 8
* Unit 15 due November 15
* Unit 17 due November 22

### Module Assignments

* Mod 1 due September 22
* Mod 2 due October 13
* Mod 3 due October 20
* Mod 4 due November 3
* Mod 5 due November 18
* Mod 6 due November 24

### Project

* Part 1 due September 27
* Part 2 due October 27
* Project completion December 3

### Midterm Exam

* October 24

### Final Exam

* ec103-3 December 17 1:30pm - 4:30pm
* ec103-4 December 19 1:30pm - 4:30pm

## Evaluation Process:

### Grading Scale:

| **A** 93% and above  **A-** 90-92%  **B+** 87-89%  **B** 83-86%  **B-** 80-82%  **C+** 77-79% | **C** 73-76%  **C-** 70-72%  **D+** 67-69%  **D** 63-66%  **D-** 60-62%  **F** 59% and below |
| --- | --- |

### Assessment:

| **Category** | **Percentage** |
| --- | --- |
| Class Participation: | 15% |
| Unit Assignments: | 10% |
| Module Assignments: | 10% |
| Quizzes | 10% |
| Midterm: | 20% |
| Project: | 10% |
| Final Exam: | 25% |
| Extra credit: | α% |
| Total | 100% |

### Class Attendance and Participation: 15%

Class attendance is mandatory, and participation is essential. You are expected to read the assigned materials prior to class meetings and be prepared to discuss the readings in class. It is in everyone’s best interest to participate, stay engaged, take notes, and *enjoy* the special topics and other in-class activities throughout the semester.

You are expected to be on time and ready to contribute to the dynamics of the class. It is hoped that there will be significant discussion, involvement, and interaction surrounding the materials investigated. Contributions and participation should be thoughtful and based on a considered examination of the material rather than merely trying to “score points.”

### Unit Assignments: 10%

These assignments empower you to have input into your education and to engage with the material most relevant to your personal experiences. In keeping with the open access designation of this course, these questions will be turned into interactive learning content on made available online on [my personal website.](https://liveskidmore-my.sharepoint.com/personal/bmccoy_skidmore_edu/Documents/macro%20fall%2019/oakonomicus.com)

There are two parts to these assignments.

1. For every Unit, you must create and post a multiple-choice question to Blackboard. The questions are due Friday night following the completion of the Unit. All questions must be submitted on time- late assignments will not be accepted for any reason.
2. By the following Monday, you must comment on the questions of 3 other students, both verifying that it is correct and a short explanation of why it would or would not be an appropriate test question. You must select questions for commentary that have less than 3 comments.

There are 11 Unit assignments over the course of the semester, each worth 1% of your final grade: 0.5% for the question and 0.5% for the comments.

Please note, some of these questions will end up on exams.

You are required to post you question to the discussion board the Friday after we finish the unit. By Sunday evening you should have commented on three of your classmate’s questions, verifying that they are correct and providing any feedback that would improve the question. The Monday following the completion of the unit please submit your question in the spreadsheet format specified on the instructions posted on blackboard

### Homework: 10%

The homework assignments are designed to help you master the use of technology and historical data to create, understand, and effectively use images in conjunction with economic models to discuss phenomena associated with the social provisioning process.

Each assignment will have 2 sections:

1. **Empirical Analysis**: To use technology and historical data to create visualizations and to interpret and effectively communicate the information contained therein.
2. **Economic Models and Problem Solving**: This section requires you to understand and interpret economic models.

6 assignments will be distributed in advance of the due date which is the Sunday following the completion of the Mod. These assignments will require, in general, you to explain and support your own economic views and reflect on the course materials examined.

The assignments are designed to generate thought and reveal personal engagement with the materials at hand and allow you to show that you can explain, critically examine, and support your thoughts and positions on certain economic matters.

Each assignment is worth 2% of your final grade. Assignments that are accepted late will receive a deduction of 5% per class period.

More on the specifics of the assignments will be discussed in class.

### Quizzes: 10%

The quizzes are designed to encourage you to come to class with the assigned reading completed and prepared to contribute to the dynamics of the class.

11 short multiple-choice quizzes will be given randomly throughout the semester. Each of the 11 quizzes is worth 1% of the final grade. There will be no makeup quizzes given for any reason.

### Midterm: 20%

One midterm exam will be given on the 24th of October at the normal class time and constitutes 20% of your final grade. The format will vary from multiple choice, true/false, short answer, matching, graphical analysis, and short essay.

Unexcused/missed examinations will be counted as failures and will receive the grade of 0.  Absences for valid reasons are accepted; however, the burden of proof is on you to convince me it is a valid reason (convincing me of the validity of your absence without prior notice is much more difficult). Moreover, if the midterm is missed and deemed excused, the points will rollover to the final, increasing it to 45% (no makeup exams will be given).

Cheating will result in an automatic failure of the exam and referral to the Dean for academic dishonesty.

### Project: 10%

The project is an opportunity to demonstrate your ability to be an effective team member while addressing a socio-economic matter that interests you.

This unstructured group project should focus on developing a solution to a real-world economic problem of importance to your group. The focus of this project is on building your ability to develop creative, realistic, and tangible solutions to complex social dilemmas through teamwork. Given the open-ended nature of this project, you must frame the problem in such a manner that you can identify the important assumptions and constraints. Moreover, learning to effectively structure the problem is integral to developing a tangible solution and will transfer to other problem-solving contexts.

The first step is to form a team of not more than 4 students and identify the problem of interest to your group. Once the problem is defined your team should develop and demonstrate your understanding of the problem by proposing one or more solutions. As you design and construct a tangible solution, be very clear how about how your group will realize that solution. This first step can be thought of as a project proposal which is due September 27.

Once the proposal is approved, move on to the second stage— the project brief. In this critical stage, you will refine the problem into a well-crafted driving question. Effectively structuring the problem is essential to developing a tangible solution. You should also develop benchmarks that are specific, measurable, and attainable; these benchmarks will clarify the process that your group envisions as you work towards achieving the objective of this project. In setting the objective, describe the desired result which must include a tangible solution to the problem your group seeks to address. Be clear and concise in stating the end towards which your group is working. This section needs to include a discussion of how the objective will be measured so that when assess the project upon completion.

Once your team has completed what it proposed, you will present the solution to class. The presentation can take many forms depending on the nature of your project, but it must include at least a brief discussion of how you addressed the problem and why the chosen strategy is appropriate for achieving your goal.

More details will be provided in class.

### Final Course Examination: 25%

An in-class *comprehensive* final course examination, making up 25% of the total course grade, will be given at the following times:

* **103-002 (a.m. class) May 8th 6:00pm - 9:00pm**
* **103-003 (p.m. class) May 6th 9:00am - 12:00pm**

The format will vary from multiple choice, true/false, matching, graphical analysis, and short answer and is *comprehensive*, covering all lecture materials and course readings, in-class activities and exercises, and any other special topics covered over the course of the semester.

Unexcused/missed examinations will be counted as failures and will receive the grade of 0%.  Absences for valid reasons are accepted and will be dealt with on an individual basis; however, the burden of proof is on you to convince me it is a valid reason (convincing me of the validity of your absence without prior notice is much more difficult).

Cheating will result in an automatic failure of the exam and referral to the Dean for academic dishonesty.

## Class/College Policies and Support Systems

**Please Note:** If you are emailing the instructor, please use the following format in the Subject line of the email:

"ECON 103-00# - [insert subject of email here] - [insert your name here]"

### Academic Integrity:

Cheating and plagiarism will not be tolerated and may result in a failing grade for the course. It is imperative that you review the honor code and integrity checklist available at the following link: [*Academic Integrity Handbook*](https://www.skidmore.edu/advising/documents/AcademicIntegrityHandbook_Web.pdf). All violations of the honor code will be reported. If the charge is sustained, the infraction may have consequences for the student beyond any grade penalty that I impose.  A thorough description of these consequences, along with a description of the limited forgiveness and appeal policies, can be found in the [Sanctions and Further Impact](https://www.skidmore.edu/advising/documents/Sanctions_Web.pdf) document available through OAA's website.

### Academic Calendar:

Students are encouraged to review important add, drop or withdraw dates on the [academic calendar](https://www.skidmore.edu/registrar/documents/academiccalendar2019.pdf).

### Class recordings:

The instructor will record the class lectures and make them available online for subsequent review. You can find the videos posted online on my [YouTube channel](https://www.youtube.com/channel/UCe54mfbTde7jvyaLsqRD3Rg).

### Attendance Policy:

Students are expected to attend and participate in classes. Advance notice of attendance policies of academic units and individual instructors should be given, and such notice should be in writing. Students should notify the instructor of excused absences in advance, where possible. Students who have an excused absence are expected to make arrangements with the instructor for alternative or make-up work. Such arrangements should be made in advance of the absence, where possible. Instructors should accommodate excused absences to the extent that an accommodation can be made that does not unreasonably interfere with the learning objectives of the course or unduly burden the instructor. Attendance policies shall be applied in a non-discriminatory manner.

### Counseling and Health Services Available at Skidmore:

We offer confidential and professional mental health services to students struggling with a variety of social, emotional and psychiatric problems (including adjustment to college, depression, family problems, anxiety, sexual assault and eating disorders). We help students better understand their emotions, motivations, needs, and values, as well as their own identities and relationships with others, so that they can engage more fully in their academic and co-curricular lives at Skidmore. We serve as a resource and advocate about mental health issues to the larger Skidmore community, and we seek to educate and promote wellness in the broadest possible context. Finally, we provide consultation, liaison and support to parents, fellow students, faculty and staff members who are concerned about a Skidmore student.

Our core values of compassion, collaboration, expertise, respect for autonomy, sensitivity to difference and confidentiality shape our professional interventions at every level, both individual and campus-wide. The Skidmore College Counseling Center is fully accredited by the International Association of Counseling Services.

### Disability Support Services:

If you are a student with a disability and believe you will need academic accommodation, you must formally request accommodation from Meg Hegener, Coordinator of Student Access Services.  You will also need to provide documentation which verifies the existence of a disability and supports your request.  For further information, please call 580-8150 or stop by the office of Student Academic Services in Starbuck Center.

### Title IX:

Skidmore College considers sexual and gender-based misconduct to be one of the most serious violations of the values and standards of the College.  Unwelcome sexual contact of any form is a violation of students’ personal integrity and their right to a safe environment and therefore violates Skidmore’s values.  Sexual and gender-based misconduct is also prohibited by federal regulations.  Skidmore College faculty are committed to supporting our students and upholding gender equity laws as outlined by Title IX.  If a student chooses to confide in a member of Skidmore’s faculty or staff regarding an issue of sexual or gender-based misconduct, that faculty or staff member is obligated to tell Skidmore’s Title IX Coordinator or Title IX Deputy Coordinator.  The Title IX Coordinator or Deputy Coordinator will assist the student in connecting with all possible resources for support and reporting both on and off campus.  Identities and details will be shared only with those who need to know to support the student and to address the situation through the college’s processes.  If the student wishes to confide in a confidential resource, The Counseling Center Staff, Health Services, and Victim Advocates are all options available.

More information can be found by contacting the Title IX Coordinator or Deputy Coordinator and also through the link that follows.

[Link to Skidmore’s sexual and gender-based misconduct resources and information website](https://www.skidmore.edu/sgbm/).