

# Elements of Macroeconomics

*Professor Louis J. Maccini*

# Course Organization

# Course Structure

- Two one-hour lectures each week
- One hour section meeting each week
- Optional small group tutoring sessions will be available each week

# Lectures

- Professor Maccini will give the lectures
- M & W at 9AM in Hodson 110.
- Lectures are the centerpiece of the course
- Purpose of the Lectures:
  - Teach principles of macroeconomics
  - Discuss current developments and policy issues

# Section Meetings

- Taught by Teaching Assistants (TA's) who are graduate students in the Economics Department
- See the Course Website for Times, Instructors, and Room Assignments
- Purpose of the section meetings:
  - Review lecture material
  - Go over problem sets
  - Teach new material
  - Answer questions

- **Important Rule:** Cannot change a section assignment unless there is a proven class conflict
- **Advice:** Think of the course as being jointly taught by Professor Maccini & your TA

# Small Group Tutoring Sessions

- Organized by Office of Academic Advising
- Contact:
  - The Learning Den
  - Free Small Group Tutoring
  - Garland Hall, Suite 3A
  - [tutoring@jhu.edu](mailto:tutoring@jhu.edu)

## Small Group Tutoring Sessions: Continued

- Tutoring sessions are optional
- **Not overseen or controlled** by Professor Maccini, the TA's, or the Department of Economics
- Tutors are undergraduates who took the course in a prior year
- Purpose of the sessions is to answer basic questions on the material of the course

# Textbook

- Baumol W.J. & Blinder A. S.,  
***Macroeconomics: Principles and Policy***, 12<sup>th</sup> edition, South-Western Cengage Learning
- ***Study Guide for Baumol and Blinder's Macroeconomics***, 12<sup>th</sup> edition, South-Western Cengage Learning

# Readings-Other Matters

- Recommended Readings
  - Posted on the course website
  - Focus on current macroeconomic developments
- Prior Editions of the Text
  - Can be purchased at a lower price
  - Not recommended
  - Miss some material
  - Assigned readings will be from the latest edition

# Schedule

- Required Readings
  - Basic readings stated on schedule
  - Detailed pages posted at each lecture
- Exams
  - 1<sup>st</sup> Term Exam-October 5 at **7PM**
  - 2nd Term Exam-November 9 at **7PM**
  - Final Exam-December 13 at **9AM**

# Schedule Exceptions

- No Lecture on
  - Monday, September 5-Labor Day
  - Monday, October 10-Fall Break
  - Wednesday, November 23-Day before Thanksgiving
- Extra Lecture
  - Tuesday, October 11 at 9AM in Hodson 110
  - Purpose: Make up for lost lecture on October 10

# Exams and Grading Policy

- First Hour Exam— Oct. 5 20%
- Second Hour Exam—Nov. 9 30%
- Final Exam—Dec. 13 40%
- Problem Sets and  
Section Participation 10%

# Illness or Family Emergency & Exams

## Very Important Steps

- **Pre-Notification:** If you are sick or have a family emergency and cannot take an exam, you **must contact** Professor Maccini by phone or e-mail **before** the exam

- **Written Verification:** Illness or family emergency must be subsequently verified in writing by a physician, the Student Health & Wellness Center or Academic Advising.
- If both steps are not followed, you will not be excused from the exam

# Make-Up Exams

- A student properly excused from a term exam will not be given a make-up exam
- Instead, final grade will be based on the other exams with revised weights
- Make-up exams will be given to students properly excused from the Final Exam

# Exam Materials

- Use of the following will **not** be permitted in exams:
  - Class Notes
  - Readings
  - Calculators
  - Laptops
  - Etc

# Grading Appeals

- Grading of exam questions may be appealed
- Appeal must be given in writing to your TA within one week

# Cheating

- **Important Rule:** Anyone caught cheating in an exam will receive a flunking grade for the whole course

# Senior Option

- Meaning: Can choose to skip Final Exam
- Offered **only** to seniors who are graduating in December, 2011
- Not offered to students graduating in May, 2012
- Grades based on the two term exams and section grade

# Course Website

- The course website is:  
[www.econ.jhu.edu/courses/101/index.html](http://www.econ.jhu.edu/courses/101/index.html)
- Announcements of important information
  - Slides
  - Review Sessions before exams
  - Answers to Problem Sets
  - Reading assignments
  - Recommended Readings
  - Etc

# Slides

- Lectures will use Power Point Slides
- **Basic Policy:** **Partial** slides will be posted on the course website **at least 36 hours** in advance of a class
- **Very Important:** Students urged to **print** the slides to facilitate taking notes in class
- **Check** the course website before each class

# Slides-Continued

- **Backup Policy:** If partial slides are not posted at least 36 Hours in advance of class, then
  - Partial slides will be posted when available
  - **And:** Copies of partial slides will be handed out in class.

# Office Hours

- Professor Maccini: M 2PM, W 1PM or by appointment
- The Office Hours of the TA's will be posted on the course website

# Students with Disabilities

- Obtain an accommodation letter from the Student Disability Services Office:  
385 Garland Hall
- Meet with Professor Maccini

# Answers to Questions

- Professor Maccini will periodically stop to take questions in class
- Section Meetings—Particularly useful for questions because of small size
- Small Group Tutoring Sessions—Meeting times will be posted on the website

- Questions can be asked after class and after section meetings
- Office Hours—Posted on the Website
- E-mail—Must follow procedure

# E-Mail Procedures

- **First Step:** Check the course website
- **Second Step:** Send an e-mail message to your TA
- **Third Step:** If your TA cannot answer the question or provide requested information, the TA will forward the message to Professor Maccini

- **Important Note:** Professor Maccini will not respond to an e-mail message from a student unless the message has been forwarded by the TA
- **Exception:** Illness or Family Emergency before an exam

# Nature of Course and Exams

- Purpose of course:
  - Introduce students to basic ideas in macroeconomics
  - Teach students how to think about macroeconomic issues
- Course and exams will not focus on memorization of materials
- Exams will stress thinking

# Mathematical Skills

- Economics is an analytical and quantitative discipline
- **Linear equations** and **graphs** are helpful in understanding ideas and will be used
- Variety of backgrounds in class

# Friendly Advice

- Course is cumulative
- Important to keep up with the lectures, section material, and readings each week
- Use the Study Guide

Basic Questions  
in  
Macroeconomics

# Required Readings

- Chapter 1
- Chapter 2
- Chapter 5

# What is Macroeconomics?

- **Macroeconomics**
  - The study of the economy as a whole
  - Focus is on the over-all levels of income, output, prices, employment, etc.
  
- **Microeconomics**
  - The study of individual units
  - Focus is on an analysis of individual consumers, individual firms, or individual markets

# Key Macroeconomic Variables

- Level of Income of Society
  - Aggregate Income
  - Income per capita
- Growth Rate of Income
- Unemployment Rate
- Rate of Inflation

# Major Macroeconomics Questions

Major Question #1

Analytical Question

What causes movements in the key  
economic variables?

# Why Focus on the Key Macroeconomic Variables?

- “Social Bads”:
  - Low Income per capita
  - High Unemployment
  - Low Growth Rate of Income
  - High Inflation
- Why? Produce low standards of living and a rising the cost of living

# A Social Objective

- Avoid “**Social Bads**”. Or, achieve important “**Social Goods**”
  - High Income per capita
  - Low Unemployment
  - High Growth Rate of Income
  - Low Inflation
- Why? Produce high and rising standards of living and a low cost of living
- Need Analytical Framework to understand Movements in Key Macroeconomic Variables

# Major Question #2

## Public Policy Question

What policies can policy-makers pursue to achieve the macroeconomic goals of society?

# Major Macroeconomic Policy Tools

- Major Macroeconomic Policy Tools:
  - Monetary Policy
  - Fiscal Policy
- How do these policy tools work?
- What are their prospects for success?