

ECON 331 - INTERMEDIATE MACROECONOMICS - SPRING 2012 - STIPES 319 – T Th 12:30 – 1:45 PM

*Department of Economics and Decision Sciences, College of Business and Technology
Accredited by the AACSB International - The Association of Advance Collegiate Schools of Business*

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OFFICE HOURS: T Th 9:30 – 11:00 AM, W 10:00 – 12:00 PM, or by appointment.

Course Prerequisite: Econ 231 – Principles of Macroeconomics

Textbook (REQUIRED): R. Dornbusch, S. Fischer, R. Starz. Macroeconomics (11th edition), McGraw-Hill Irwin

Objectives: It is my first and foremost goal that you leave this course with a better understanding of the kinds of macroeconomic issues that you might read about in any newspaper or hear about on the evening news. Everything from the price of gasoline to the interest rate that you pay on your credit card is tied to the issues that we will discuss in this course. I hope that you will approach this course with an attitude of curiosity and ask questions frequently when you hear or read about things in the media that are relevant to our discussion.

Grading policy:

Task	Points
Homework Assignments (6)	26
Federal Reserve Simulation	50
Exam I	48
Exam II	48
Final Exam	78
Total	250

Your final grade for the course is based on the total number of points that you earn:

A : 225 points and above
A- : 222 - 224 points
B+ : 219 - 221 points
B : 200 - 218 points
B- : 197 - 199 points
C+ : 194 - 196 points
C : 175 - 193 points
C- : 172 - 174 points
D+ : 169 - 171 points
D : 150 - 168 points
D- : 147 - 149 points
F : less than 146 points

You are responsible: for the **two exams** during the semester and **one** final exam. No make-up exams will be given unless the student and I made arrangements prior to the test date. The format of any make-up test will be different from that taken by the general class. The Final Exam is a comprehensive exam: it covers all materials from Exam I, Exam II, and all additional material covered in class after Exam II.

You are responsible: for submitting all assignments on time. Every assignment is due at the beginning of a class period. **Late assignments will receive a penalty of 25% per class period. ASSIGNMENTS THAT ARE NOT TURNED IN AT THE BEGINNING OF A CLASS ARE CONSIDERED LATE.**

All take-home assignments will be graded based on correct answers. Only assignments with all the correct answers and submitted on time will receive full credit.

Your education is too important to be interrupted! Zero tolerance will be exercised for those engaged in distracting behaviors during class: you will be asked to leave the class room.

In case of Academic Dishonesty (cheating on ANY of assignments) the student in question receives the grade of “zero” for the assignment and an automatic “F” grade for the course.

In accordance with University policy and the Americans with Disabilities Act (ADA), academic accommodations may be made for any student who notifies the instructor of the need for an accommodation and provides documentation through Disability Support Services. It is imperative that you take the initiative to bring such needs to the instructor’s attention, as he/she is not legally permitted to inquire about such particular needs of students. Students who may require special assistance in emergency evacuation (i.e. fire, tornado, etc.) should contact the instructor as to the most appropriate procedures to follow in such an emergency.

WEB address for student rights and responsibilities: <http://www.wiu.edu/provost/student/>

Final Exam: May 8th, 1:00 – 2:50 pm, room 319.

Tentative (subject to change) Course Outline

Material for Exam I

Chapter 1: Introduction
Chapter 2: National Income Accounting
Chapter 5: Aggregate Supply and Demand
Chapter 6: Aggregate Supply: Wages, Prices, and Unemployment
Chapter 7: Inflation and Unemployment

Material for Exam II

Chapter 8: Policy Preview
Chapter 9: Income and Spending
Chapter 10: Money, Interest, and Income
Chapter 11: Monetary and Fiscal Policy
Chapter 12: International Linkages (selected topics)

Final Exam

Chapters 1, 2, 5 – 12,
Chapter 16: The Fed, Money, and Asset Prices
Chapter 17: Policy
Chapter 18: Financial Markets and Asset Prices
Chapter 20: International Adjustment and Interdependence (selected topics)
Chapter 21: Advanced Topics

Federal Reserve Simulation

This is a fun project that we will do near the end of the semester. Each member of the class will be assigned a role to play in a simulated meeting of the Federal Reserve Open Market Committee. In a few weeks (February) I will give you your assignments and you will research your role. For example, if you are assigned to be the Federal Reserve Bank of Boston, you will research economic conditions in the northeast and come up with a policy recommendation. Your roles are individuals (unless otherwise assigned), but you may want to work together to prepare. In class on April 24 – April 26 we will conduct a simulated meeting of the FOMC. In the meeting, each person will give a short presentation (4 min or less) on their research and policy recommendation.

Grading of the simulation is based on three things: (1) your presentation and participation during the simulation, (2) your written summary of your presentation that you bring to class on the day of simulation, (3) a reaction paper due on May 1. More details will be given as the semester goes on.