SYLLABUS
ECON 202 - Economics II
Drexel University
Fall quarter, 2005

Professor: María Pía Olivero
Contact info: maria.olivero@drexel.edu
(215) 895-4908
Course’s webpage: www.pages.drexel.edu/~mpo25
Office hours: Mondays and Fridays 4:30-5:30PM.
Office: 503 Matheson Hall.
Pre-Requisites: ECON 201 Minimum Grade: D or ECON 211 Minimum Grade: D or ECON E211 Minimum Grade: D

TA: Ryan Yuan
Contact info: ryan.yuan@drexel.edu
Office hours: Tuesdays and Thursdays from - PM.

Brief Course Description (from Drexel’s course catalog)
Business and design arts students. Examines measurement, growth, and fluctuation of aggregate economic activity. Includes national income accounting and explains determination of output, employment, and price level. Also provides an introduction to international economics, money and banking, and economic policy.

Course synopsis:

Required text:

Optional: The study guide accompanying the textbook is not required but highly recommended. There you will find problem sets, multiple choice and short answer questions of the type I use in assignments and exams. It will help you test your understanding of the lectures and readings.
Requirements and grading:
There are two midterm exams and 7 homework assignments consisting of multiple choice and essay questions and questions on assigned readings. The final exam in this course covers only the last topics not tested during the term. Also, to reward your effort and hard work during the term, the final is worth only 15% of your course grade.

From the very beginning of the semester I will make all the homework assignments and readings available in my webpage so that you know what to expect and that you can work in advance if you wish! 😊.

Your course grade will be determined as follows:
- Two midterm tests (25% each)
- Final exam (15%)
- Questions on assigned readings (15%)
- Homework (20%)

Grades will be assigned as follows: 90 for an A, 80 for a B, 70 for a C, 60 for a D, below 60 for an F.

IMPORTANT!! No late homework or reading assignments will be accepted. A zero will be assigned to any graded material you do not hand in on time. No makeups for unexcused midterms and final. No exceptions. If you miss any of the midterms your grade will be computed as follows: the midterm you took (10%), final exam (55%), questions on assigned readings (15%), homework (20%). Obviously, you cannot miss both midterms. If you miss the final, your grade will be determined as follows: 1st midterm (25%), 2nd midterm (40%), readings (15%), homework (20%).

The course is loaded towards the end. Thus, I suggest that you read ahead. This is mainly true for the section on macroeconomic policy. There are two big homework assignments (both readings and problems) due in the last two weeks. I suggest that you plan accordingly and start working on them in advance. Each chapter builds on all the previous ones. So, come to office hours as soon as you feel the need for extra help.

Regrades policy: If you want any of your assignments or exams regraded, you must write a regrade request stating why you believe you deserve more points for each specific question you want me to regrade. You must submit it no later than on the class following that on which you get your assignment / exam back from me. The TA for the course will regrade the entire exam.

Attendance policy: I will not take attendance in every lecture. However, class participation is strongly recommended and I will take it into account for potential bump ups of the final grade in borderline cases (defined as within 1 percentage point of the next higher grade). Participation means engaging in discussions, asking and answering questions.
Absolutely no eating allowed in class!

Cell phones should be off during the whole lecture period.

Senior Rule (relevant for spring quarter only): Graduating seniors are excused from taking the final exam under the following conditions: 1) You are in fact expecting to graduate in June and 2) You take both midterm exams. Your grade will be determined as follows: two midterm tests (65%), questions on assigned readings (15%), homework (20%).

Students with a Disability: Any student with a documented disability who needs accommodations is encouraged to contact the Office of Disability Services at (215) 895-1401. I must receive a Accommodation Verification Form at least one week prior to any exam for which accommodations are necessary.

Athletic or other excused absences: I must receive documentation of any excused absence from an exam at least one week prior. Failure to provide me with timely notification will result in zero for whatever graded material falls on that day.

A Useful Resource:
The Drexel Learning Center (DLC) provides free individual tutoring. Contact information for appointments: 050 Creese, dlc@drexel.edu, (215) 895-2568. Their website is www.drexel.edu/dlc
Course Outline

Section I: INTRODUCTION

What is Economics? The opportunity cost concept. Scarcity and choice. Thinking at the margin. What is an economic model? The distinction between micro and macroeconomics. The economist’s toolkit: graphs.

Material: chapters 1, 2 and 3 of the textbook.

MICROECONOMICS: A Brief Review

Section II: PRODUCTION AND EFFICIENCY


Material: Chapter 6 of the textbook. Some of this section belongs to the Microeconomics volume of the textbook, which I have not required. I will give you the relevant material.

Section III: SUPPLY AND DEMAND


Material: Chapters 4 of the textbook.
Section IV: THE MONEY MARKET

a) The nature of money. Monetary systems.
b) The banking system. Money creation and the money multiplier
c) The Federal Reserve System. Monetary policy (preliminaries)
d) Money demand, supply and equilibrium

Material: chapters 12 and 13 of the textbook.

Section V: NATIONAL ACCOUNTING AND THE MACROECONOMY

b) Aggregate demand
c) Aggregate supply
d) Moving to macroeconomic aggregates. GDP. Business cycles. Economic growth. The goals of macroeconomic policy

Material: chapters 5 and 8 of the textbook.

Section VI: THE KEYNESIAN FRAMEWORK

a) Total spending in the Keynesian framework
b) Aggregate demand
c) Keynesian cross and equilibrium
d) Multipliers
e) Reference to the Keynesian vs. the Classical debate

Material: chapters 8 and 9 of the textbook.

Section VII: MACROECONOMIC POLICY

a) Fiscal policy
b) Monetary policy
c) Reference to the Keynesian vs. the Classical debate
d) Unemployment and inflation
e) The Phillips curve in the short run and the long run

Material: chapters 10, 11, 13, 14, 15 and 16 of the textbook.
Section VIII: INTERNATIONAL ECONOMICS

a) International trade preliminaries
b) Comparative advantage
c) Trade policy tools
d) The International Monetary System: Foreign currency demand and supply.
   Exchange rates determination. Fixed vs. floating exchange rates.
e) Fiscal and monetary policy in an economy open to international trade

Material: chapters 17, 18 and 19 of the textbook.

Section IX: GROWTH AND DEVELOPMENT

a) Growth: concept, determinants of growth
b) Growth policies
c) The Solow growth model

Material: chapter 7 of the textbook.
**Tentative calendar**

<table>
<thead>
<tr>
<th>Monday</th>
<th>September 26</th>
<th>Classes Begin</th>
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<tr>
<td>Monday</td>
<td>October 10</td>
<td>Columbus Day (University Holiday)</td>
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<tr>
<td>Monday</td>
<td>November 21</td>
<td>Thanksgiving Holiday Begins at Close of Classes 10:00 pm</td>
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<tr>
<td>Monday</td>
<td>November 28</td>
<td>Classes Resume 8:00 am</td>
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<tr>
<td>Saturday</td>
<td>December 10</td>
<td>Last Day of Classes</td>
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<tr>
<td>Monday</td>
<td>December 12</td>
<td>Term Examinations Begin</td>
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<tr>
<td>Saturday</td>
<td>December 17</td>
<td>Term Examinations End</td>
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**Week 1: September 27th – 29th**  
*Lecture 1:* Course presentation. Review of course requirements, textbook and syllabus. Section I: Introduction.  
*Lecture 2:* Finish Section I.  

**Week 2: October 4th – 6th**  
*Lecture 1:* Section II (1st part).  
*Lecture 2:* Section II (2nd part). Start with Section III.  
- *Due date for homework on sections I and II.*

**Week 3: October 11th – 13th**  
*Lecture 1:* Supply and demand, equilibrium. Application of supply and demand to taxes. Elasticity.  
*Lecture 2:* Section IV on money.  
- *Due date for homework on some of section III.*

**Week 4: October 18th – 20th**  
*Lecture 1:* Section IV on money.  
*Lecture 2:* Section IV on money.  
- *Due date for homework on taxation and elasticity and money. This is a relatively long assignment. Please plan accordingly (read the assigned readings in advance).*

**Week 5: October 25th – 27th**  
*Lecture 1:* Section V.  
*Lecture 2:* Finish Section V. Review for midterm 1.  
- *Due date for readings on Section V and national accounting.*

**Week 6: November 1st – 3rd**  
*Lecture 1:* Midterm 1.  
**Week 7: November 8th – 10th**

* Lecture 1: Finish Section VI. Fiscal and monetary policy.
* Due date for homework on the Keynesian framework.

* Lecture 2: Fiscal and monetary policy.

**Week 8: November 15th – 17th**


* Lecture 2: Finish with Section VII.

* Due date for homework and readings on policy. This is a big assignment. Please plan accordingly (read the assigned readings in advance).

**November 22nd – 24th – Thanksgiving Break.**

**Week 9: November 29th – December 1st**


* Lecture 2: Midterm 2.

**Week 10: December 6th – December 8th**

* Lecture 1: The international monetary system (IMS).

* Lecture 2: Economic growth.

* Due date for homework and readings on International Economics.

**Between Dec. 9th -12th:** Optional extra review session for final exam.

Final exam (Only on the IMS and economic growth): According to University schedule.

* Schedule is subject to changes.