

**Department of Economics  
Seidman College of Business  
Grand Valley State University**

**ECO 313-01: Business Cycles and Growth (SWS)  
Fall 2014 TR 8:30am-9:45am SCB 2020**

Professor: Brad Sturgill  
Office: 3072 L William Seidman Center  
Office Hours: TR 10:00-11:00 and 2:30-3:00  
or by appointment

Email: sturgilb@gvsu.edu  
Phone: (616) 331-7460

**TEXT:** Abel, Bernanke and Croushore, *Macroeconomics*, Eighth Edition, 2014.  
ISBN: 9780132992282

**Course Description**

This is an intermediate course in macroeconomics. Some particular topics we will discuss include aggregate output, interest rates, inflation, unemployment, investment, economic growth, and business cycles. We will examine the theories that explain these things and see some practical applications of the theories.

**Course Objectives**

- A. Examine the behavior of economies in the context of macroeconomic phenomena such as economic growth, business cycles, inflation, unemployment, stabilization policy and international relations.
- B. Develop an understanding of the theoretical models that economists use to explain and predict macroeconomic phenomena.
- C. Demonstrate that economic theory is a necessary prerequisite for the use of economic policy including monetary and fiscal policy.

**Course Level**

ECO 313 is a required course for economics majors, and it is the most advanced course in macroeconomic theory offered at this University. This is a serious course intended for serious students. Hard work is required. You must spend time outside class studying your lecture notes, reading the textbook, doing homework exercises, and thinking about what everything means.

**Teaching Philosophy**

I teach in the traditional lecture format, in which I explain the material and you listen and ask questions. You then go back to your dorm room, apartment or the library and study. I use PowerPoint very rarely and most likely will not use it at all. Given the intense use of diagrams and equations in this course, I feel that students benefit more from seeing me draw the diagrams and work through the equations on the board as opposed to listening to me comment on a projected slide where everything is already drawn and worked out. There will be no lecture notes or slides posted to Blackboard.

My commitment as the professor is to the subject. My job is to choose the relevant material and present it to you in a coherent way. Your commitment as the student is to study. Your job is to learn the subject matter of the course.

### **SWS Statement**

This course is designated SWS. Completion of WRT 150 with a grade of C or better (not C-) is a prerequisite. SWS credit will not be given to a student who completes this course before completing the prerequisite. SWS courses adhere to certain guidelines. Students turn in a total of at least 3000 words of writing. Part of that total may be essay exams, but a substantial amount of it is made up of essays, reports, or research papers. The instructor works with the students on revising drafts of papers, rather than simply grading the finished piece of writing. At least four hours of class time will be devoted to writing instruction. At least one third of the final grade in the course is based on the writing assignments.

*Additional Note: Students must receive a grade of C or better (not C-) to get SWS credit.*

### **Course Procedures and Policies**

#### **A. Prerequisites**

ECO 200 or ECO 210 and WRT 150 are prerequisites for this course.

Calculus is not required for this course, but basic arithmetic and algebra are essential. MTH 110 or MTH 122 or MTH 201 is a prerequisite for ECO 200 and ECO 210. Thus, arithmetic and algebra are prerequisites for ECO 313. I take this math prerequisite very seriously and so should you.

If you struggle with arithmetic and algebra, you will likely need to work extra hard during some portions of the course. Individuals who are unwilling to invest the extra time that may be required to learn the necessary mathematical techniques should drop the course immediately.

#### **B. Course Webpage**

The course webpage can be found on Blackboard. I will post the syllabus, handouts, assignments and announcements on the Blackboard site.

#### **C. Grading Policy**

The grade you receive in this course will be determined by your performance on two exams, a **comprehensive** final, two writing assignments and two peer reviews. Items are weighted as follows:

First Exam:	20%
Second Exam:	20%
Final Exam:	25%
Writing Assignment 1	15%
Writing Assignment 2	15%
Peer Reviews	5%

Letter grades will be assigned as follows:

Percentage	Grade	Percentage	Grade
90 - 100	A	70 - 75	C
88 - 89	A-	68 - 69	C-
86 - 87	B+	66 - 67	D+
80 - 85	B	58 - 65	D
78 - 79	B-	0 - 57	F
76 - 77	C+		

Rounding up will occur at 0.5 so that an average of 87.5 earns an A-.

**Makeups will be given only if the student alerts me prior to an exam about a conflict. The circumstances surrounding that conflict must be extenuating.**

The dates for the exams and the due dates for the writing assignments are given at the end of the syllabus. Everyone must take the final exam.

*Absolutely no extra-credit work will be allowed for students to improve their standing in the course.*

#### **D. Writing Assignments**

There will be two writing assignments. Each writing assignment will require you to gather information and/or data on a specific economic event or phenomenon, use the analytical skill set you have acquired from the course to evaluate that event or phenomenon, and then present your analysis in a well-organized paper. Each paper should contain 800-1000 words (about 3-4 pages in length). Content as well as clarity of writing are important, and I will evaluate both when grading the assignments. Before the first draft of writing assignment 1 is due, I will give you details about what I will be looking for when I grade your papers. Due dates are provided at the end of the syllabus.

#### **First Draft**

The first draft will be peer reviewed. You should treat the first draft as if it were the final product. That is, the first draft should be complete, well written and proofread by the author. Students will be split into groups of three or four, and then each group member will read and critique the other papers in the group. Everyone will be given a peer review response form that will serve as a guide for feedback. The response form will contain specific questions about the content and completeness of the assignment and the organization, style, grammar and mechanics of the writing. You will fill out a response form for each of the papers you read. Your peer review comments should reflect an understanding of the expectations for content and writing discussed in class. Participation in the peer review process for each of the two writing assignments will comprise 2.5% of your final grade. If you do not bring your first draft to class on the due date you will not receive credit for the peer review component of the assignment.

It is in your best interest to take the peer review process seriously. As the author, if you do not bring a completed and relatively polished draft to class, only limited feedback is possible, which makes improving your paper before the due date of the final draft much harder. As the reviewer, if your comments are not serious and/or reflect a poor understanding of the writing expectations, you will not receive full credit for the peer review component of the assignment.

Nothing will be turned in to the instructor on the due dates of the first drafts.

### **Final Draft**

All peer review response forms will be returned to the author, and the author will turn in the response forms with the final submission of each paper. The final submission of each paper is worth 15% of your overall course grade. An assignment that is turned in late will be penalized 10 percentage points for each day after the due date unless there is an extenuating circumstance that I am notified of prior to the due date.

More details about the writing assignments will be provided later in the semester.

### **E. Homework**

For most of the assigned chapters in the text there will be a set of homework problems selected from the “Numerical” and “Analytical” problems at the end of each chapter. These problems are designated on the last page of the syllabus. There may also be additional homework problems distributed in class.

I will announce the due date for each homework assignment at least one week ahead of time. The assignments are not graded and you will not submit them to me. However, it is in your best interest to approach the homework as if it were going to be graded for accuracy and completeness. The answers for each assignment will be posted to Blackboard on the due dates.

### **F. Attendance**

You will not receive an explicit grade for attendance; however, I strongly encourage you to attend class. If you miss class for any reason, you are responsible for all material, information, and announcements discussed in class.

### **G. Withdrawal Policy Statement**

A student may withdraw from a course and receive a grade of “W” when the completed “Registration and Drop-Add Form” is presented to the Registrar by Friday, October 24, 2014 at 5:00 p.m. (*After the first week of the current semester, students may not use the online system to withdraw*). Students who do not withdraw before the deadline must accept a grade other than “W” depending on the instructor’s judgment of their performance in the course(s) and any mitigating circumstances.

**H. Incomplete Policy Statement**

An "I" can be given only under extenuating circumstances such as serious illness. Fall semester incomplete grades must be made up by the end of the Winter 2015 semester. If this does not happen, the "I" will be changed to an "F". If the student is not earning at least a "C" in the class, an incomplete grade is not appropriate. Also, an incomplete is not appropriate unless the student has completed most of the course.

**I. Students with Disabilities Statement**

If there is any student in this class who has special needs because of learning, physical, or other disability, please contact me and Disability Support Services (DSS) at (616) 331-2490. Furthermore, if you have a disability and think you will need assistance evacuating this classroom and/or building in an emergency situation, please make me aware so the University can develop a plan to assist you.

**J. Student Honor Code**

The principles of truth and honesty are recognized as fundamental to a community of teachers and scholars. As such, the Seidman College of Business expects both faculty and students to honor these principles and, in so doing, to forge a lifelong commitment to ethical behavior.

**K. Academic Dishonesty Statement**

The Student Code Section 223.00 (p. 19) with respect to academic dishonesty will be strictly enforced up to and including failure for the course and judicial action for dismissal from the University.

**L. Seidman College of Business Mission Statement**

The Seidman College of Business provides a rigorous learning environment with a student focus, a regional commitment, and a global perspective.

**Final Thoughts**

Lectures will elaborate on material from the text but will also include material not covered in the text. That being said, it is imperative that you not view the book as a substitute for lectures.

Students are encouraged to ask questions and participate in lectures. Please come see me during office hours if you are having difficulty with something. You can't casually read about economics; you have to do it! Working problems, drawing the graphs, shifting the curves, and continually asking "why" is the way to master the ideas of economics. **Take good notes**, and **study** rather than **memorize**.

Most of what we will study agrees with common sense but is not always simple or obvious. It has much subtlety that requires work and, more importantly, thought. Work and thought take time and effort. To get much out of this course, you will have to put a lot into it. Those who are here only to fill a distribution requirement and do not care much about studying will find this course much too demanding and should go elsewhere. If you are willing to do the required

work, you should learn many interesting things. It is all a matter of how you want to spend your time, which is a choice only you can make. Make it now.

### **Tentative Course Outline**

<b>I. Introduction and Macroeconomic Measurement</b>	Chapters 1, 2
<b>II. Long-Run Economic Performance</b>	
Productivity, Output, and Employment	Chapter 3
Consumption, Saving, and Investment	Chapter 4
Economic Growth	Chapter 6
Money and Prices	Chapter 7
<b>III. Short Run Economic Performance</b>	
Business Cycles	Chapter 8
General Equilibrium Model of the Economy (i.e. IS-LM Model)	Chapter 9
Federal Reserve and Monetary Policy (time permitting)	Chapter 14
Open Economy Macro (time permitting)	Chapters 5, 13

### **IMPORTANT DATES**

<b>Writing Assignment 1_ First Draft Due Date (Peer Review)</b>	<b>Tuesday, September 23</b>
<b>Writing Assignment 1_ Final Draft Due Date</b>	<b>Tuesday, September 30</b>
<b>EXAM 1</b>	<b>Tuesday, October 7</b>
<b>DROP DEADLINE</b>	<b>Friday, October 24</b>
<b>Writing Assignment 2_ First Draft Due Date (Peer Review)</b>	<b>Tuesday, October 28</b>
<b>Writing Assignment 2_ Final Draft Due Date</b>	<b>Tuesday, November 4</b>
<b>EXAM 2</b>	<b>Tuesday, November 18</b>
<b>FINAL EXAM</b>	<b>Monday, December 8, 10:00</b>

## HOMEWORK ASSIGNMENTS

<u>Assignment Number</u>	<u>Chapter Number</u>	<u>Numerical (N) and Analytical (A) End-of-Chapter Problems</u>
1	2	N-6 and A-3
2	3	N-4 and A-2
3	4	N-6, N-8 and A-1
4	6	N-5 and A-1
5	7	N-2 and A-1
6	9	N-4 and A-1
7	14	N-4
8	13	N-3 and A-3

**Disclaimer.** Small changes dealing with course content and homework assignments are possible.