

AMERICAN UNIVERSITY of CENTRAL ASIA

Introductory Macroeconomics
ECO-122.1 (in English)

Lecturer: Associate Professor *Liudmila Konstants*, Ph.D.

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Students of Economics attend Commencement ceremony: budding economists, all of them

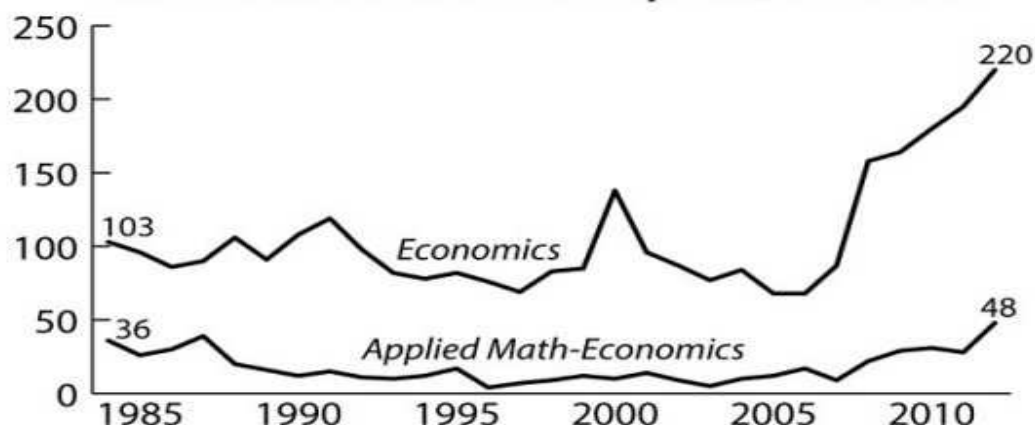
... **Economics majors** earn more, on average, than majors in most other fields and have lower unemployment rates than graduates of other social sciences and humanities programs. And you can imagine how pushy parents, seeing the youth unemployment rate hovering above 15 percent, would prod their kids away from art history and philosophy and toward something that will make them more employable¹.

They're — gasp! — Actually interested in economics.

Another theory is that the financial crisis of 2008, and subsequent recession, has made it an exciting time to study what's going on in the global economy. In other words, economics is hot right now.

¹ <http://nymag.com/daily/intelligencer/2013/05/why-are-college-students-flocking-to-economics.html>

Economics concentrations completed, 1984-2012



Understanding the basics of economic theory isn't just a good professional move — it is what allowed people to understand and contribute to the biggest stories of the day. And faced with the opportunity to study a field promising such immediate relevance, it would have made sense for some students to pick economics — where all the action is — over more arcane majors².

Course objectives: Economics is a subject in which a little knowledge goes a long way. Economists have a unique way of viewing the world. The goal of this course is to transmit this way of thinking to the students and to convince them that it illuminates much about the world around them.

Course description: course structure and expectation.

Course consists of two meeting within a week: of one Lecture and one seminar or practical session. On e-course you'll have all the essential materials you need for the class progress: lecture presentation, student's handouts, some additional multiple-choice tasks, and some additional information. I place a great deal of importance on student/teacher interaction during the class meetings. Lectures will be interactive as well. It is your responsibility to be prepared for class discussions and problem solutions **before** the Lectures.

Reading materials **before the Lecture** will help you making your work easier and more interesting; plus to this you'll save a good deal of time and efforts for understanding the Economic Theory and getting good grades. You are expecting to devote no less than 4 hours a week to the course outside of scheduled class meetings. This time should be spent completing assigned readings, making solutions to the end of chapters problems, working with the "Student's handouts" that you'll have on e-course. To receive credits for class participation a student should be prepared and should **actively** participate in all class meetings.

Sometimes you will need a simplest calculator. They are pretty cheap and you are expected to buy a simplest one for working in classes and on tests/exams. **YOU MAY NOT USE A CELL-PHONE INSTEAD OF A CALCULATORS ON TESTS/EXAMS.**

Feedback

It is my goal to make this an excellent course and a stimulating enjoyable experience for all of us. If at any time you feel that the course is not meeting your expectations or you want to provide your feedback on how the course is progressing for you, please, contact me. If you would like to provide anonymous comment, please submit your feedback on-line.

² <http://nymag.com/daily/intelligencer/2013/05/why-are-college-students-flocking-to-economics.html>

At the end of this class, a student should:

- ◆ Be able to think like an economist, or at least understand the way in which economists analyze problems.
- ◆ Be able to evaluate and interpret public policy discussions about economic matters more critically and sensibly.
- ◆ Understand how his/her own decision-making and the decisions of the business, of which he/she is a part, fit into the overall economy and affect overall welfare.
- ◆ Understand how to frame business problems to help maximize a desired objective.

Prerequisite: No formal prerequisites are required **but you need to make sure you get "drilled" on some simple calculus and graphs. The devil, as they say, is hidden in the details.**

Course Requirements

1. Students are expected to read the assigned materials **before** they are covered in classes. This practice will increase the learning process so significantly that you will be surprised.
2. Assignments and papers must be turned in by the due date unless prior arrangements are made with the instructor(s). **No late assignments will be accepted!**
3. It is recommended that students collaborated and work together. However, cheating or academic dishonesty at any form will not be tolerated.
4. All students are expected to adhere to the AUCA Honor Code and other rules of the university etiquette.
5. Laptops and other gadgets should be switched off within the Lectures.
6. **Your cell-phone MUST be turned-off within a class – so the more – within your tests!**
7. **YOU MAY NOT USE A CELL-PHONE INSTEAD OF A CALCULATOR WITHIN A TESTS TIME.**

Course Material:

Required (Primary) Text: N.Gregory Mankiw, Principles of Macroeconomics //THOMSON/South-Western, (2007)
http://www.swlearning.com/economics/mankiw/mankiw3e/macro/mankiw3e_macro.html

Date of the Lecture	Lectures outline	Reference
17.01.14	Measuring a Nation's Income – GDP	Ch. 10
24.01.14	Measuring the Cost of Living - CPI	Ch. 11
31.01.14	Production and Growth	Ch. 12
07.02.14	Production and Growth	Ch. 12
14.02.14	Saving, Investment, and the Financial System	Ch. 13
21.02.14	Saving, Investment, and the Financial System	Ch. 13
28.02.14	Unemployment and its Natural Rate	Ch. 14
07.03.14	Unemployment and its Natural Rate	Ch. 14
	Independent Study: The Monetary System	Ch. 15
22.03.14 10:00 – 13:00	TEST #1	
28.03.14	Money Growth and Inflation	Ch. 16
04.04.14	Money Growth and Inflation	Ch. 16
11.04.14	Aggregate Demand and Aggregate Supply	Ch. 19
18.04.14	Aggregate Demand and Aggregate Supply	Ch. 19
25.04.14	The Short-Run Trade-off between Inflation and Unemployment	Ch. 21
03.05.14 14:00 - 17:00	The FINAL TEST Auditorium # 403:	

Assessment and Grading

Overall course grades will be founded on two written tests. There's no any strong condition that each of them should be of 50%. I will summarize all the points you'll "earn" within these two tests and will divide the sum over all possible points you were able to "earn" within two tests (this amount of points will mean 100% of the possibility) – that will be your "earned" percentage.

In case of your active and constructive participation in the classes within the entire semester and under the condition that you are always completely prepared with your homework you will be able to get additional ten points as a premium. This additional 'premium' is my personal award – you may not ask me about it.

Moreover, sometimes, within the tests I'll provide you with a possibility to "earn" additional points giving you "bonus tasks" within the test's time. This option will be left to your discretion. You'll be able to get 100% grade without these bonus tasks.

Grading Scale: Your final letter grade for the course will be based on the following scale - expressed as a percentage.

You get:	if you earn (%%):	You get:	if you earn (%%):
"F"	- up to 45.0	"B-"	- (67.0 - 70.0)
"D"	- (45.0- 49.5)	"B"	- (70.5 - 75.0)
"C -"	- (50.0- 54.5)	"B+"	- (75.5 - 80.0)
"C"	- (55.0 - 59.5)	"A-"	- (80.5 - 85.0)
"C+"	- (60.0 - 66.5)	"A"	- (85.5 and above)

Attendance and participation will be considered in borderline cases.

Attendance and Participation

By registering for this course, students have made a commitment to participate in the course classes as well as other course related activities. Participation includes much more than being able to answer questions: students are expected to be engaged in and support class discussions. To utilize the class environment your timely presents and participation are necessary.

Keep in mind: late arrivals are disruptive and inconsiderable to the rest of the class.

After three unexcused absences your grade will be dropped one letter grade.

Three late arrivals (10-15 minutes) will be count as one absence.

Please, NOTE: (1) Students who are not paying attention in a class will be counted as absent.

MISSING THE TEST MEANS "0" POINTS. NO MAKE-UP WILL BE PROVIDED – IN NO WAY

In case of a serious illness the University provides a grade "I".

Professional Conduct and Attitude

As a critical part of your education, we encourage you to continue strengthening the community that you've build with your classmates and teacher, which is based on relationships of mutual trust and respect. The way that you choose to conduct yourself will be considered an integral part of your professional development and will therefore affect the feedback and grades you receive. Please, approach me if you have ANY concerns, problems

or questions connected to the course issues. The minutes immediately after regular class hours are often the best opportunities to see me for any special help you may need. You may also contact me for a meeting outside of scheduled class hours. I don't mind putting in the extra time, and I expect that you won't either, as long as it doesn't conflict with anyone's other scheduled courses or meetings. **Keep-in-mind:** before the consultation, please, read the Chapter carefully and try to find a solution for issues under the questions. Firstly you will be asked, "What is written in a chapter about the issue?" and asked to show the ways you used for solutions.

I look forward to working with you this semester!

APPEAL: any student is encouraged to have a look at his/her written test after the grading. You are encouraged to see your strong parts of explanations or your mistakes; you can calculate whether all the points are counted by the professor. Nevertheless, if you find "mistakes(s)" from the professor's side you should prepare your written appeal: you should re-write the task, to explore the best answer from the studied source(s), to refer on it (title, chapter, and page); and to point-out that your answer was exactly the same. After getting your Appeal I will re-check the entire test (not just that point). It could be that you'll get a new score which could be higher or lower of the initial.

A calculating test is counted as "Done" if you get a right result (showing all the essential steps of a calculus).

CHEATING. If within the test time I see that you use a not-authorized source (paper, cell-phone, etc.) I'll write on your test blank, "Cheating". You'll leave a test auditorium right immediately without any arguing. You'll get "0" and I leave the right to issue an Appeal case against you.

I reserve the right to modify any or all the portions of this syllabus at any time during the period of the course. I'll let you know this on e-course – keep your attention on this Syllabus.

I wish you all the best on this gripping path!

*Sincerely yours,
Liudmila Konstants, PhD.*