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**Economics 402, Section 1
Income and Employment Theory**

TTh 10:00-11:30, Crow 206

Class Website: <http://artsci.wustl.edu/~morley/Courses/Econ402.html>

Syllabus

Course Description

This course covers the main topics of macroeconomics, including analysis of the forces that determine the general level of output, prices, and employment; the relationship between economic growth and business cycle fluctuations; and policies for achieving full employment and price stability.

Objectives

This main goal of this course is to convey how economists think about macroeconomic issues. This is in contrast to introductory macroeconomics, in which the main goal was to convey constitutes macroeconomics, while avoiding the messy issue of how economists actually think. The main tools that economists use in analysis are models that are informed by economic theory. However, understanding the relevance of these models and the underlying theory requires an understanding of how the models are applied in practice, as well as knowing something about the historical context in which the models were developed. Thus, the course will put as much emphasis on both the empirical track record of macroeconomic theories and on the history of macroeconomic thought as it will on macroeconomic theory itself.

Requirements

This course represents one half of intermediate economics. The other half (Economics 401) covers microeconomics. Both courses are required for economics majors. There is no required order in which to take the two courses. However, I will assume students have a strong familiarity with microeconomic principles. In addition, introductory macroeconomics (Econ 104B) and calculus (Math 131) are official prerequisites.

Readings

The textbook for the course is Macroeconomics, Sixth Edition, by N. Gregory Mankiw, Worth, 2006. While we will follow the structure of the textbook for the topics covered in the course, there will also be many supplementary readings that will be available in a reading package. Exams will be based on textbook material, supplementary readings, and class lectures.

Grading

Your grade will be based on homework assignments, two midterms, and a final exam. The weights are given as follows:

Homework	20%
Midterms	40%
Final	40%

The grade conversion is given as follows:

95-100%	A+
90-94%	A
85-89%	A-
80-85%	B+
75-79%	B
70-74%	B-
67-69%	C+
63-66%	C
60-62%	C-
57-59%	D+
53-56%	D
50-52%	D-
0-49%	F

I encourage students to study together. However, for homework assignments, you must write up your own answers in your own words. Evidence of copying on written work will be treated as a serious breach of academic integrity. In the past, I have successfully taken cases before the academic integrity tribunal and will not hesitate to do so again. Also, note that late assignments will be penalized 20% of the total grade for each 24 hour period (or portion thereof) from the beginning of the class in which the assignment was due.

The midterm exams will be in class. The first midterm will be on Thursday, February 21. The second midterm will be on Thursday, April 3. The final exam will be on Tuesday, May 6 from 6:00pm-8:00pm.

To be fair to all of the students in the class, I must insist on following exam policies. There will be no make-up exams. Special exam times will be arranged only for a student with substantive and unavoidable reasons for missing the regular time. Anyone who must miss an exam should notify me as soon as possible, but at least one week before the scheduled exam. The only exceptions to this rule will be a verified, serious illness or serious family emergency. Even in this case, student should make sure to notify me of the illness prior to the exam. At the very least, send me an email or leave a message at 935-4437.

I know that students face many academic pressures throughout the semester, and I am sympathetic to problems these pressures can cause. I cannot, however, postpone exams because of deadlines or exam dates in other courses. Such actions would not be fair to other students in the class who likely also face pressure work in other classes but take the exams at the scheduled time anyway.

Homework assignments and exams are graded very carefully and I rarely change the original grades. If you believe a grading mistake has been made on an assignment or exam, you may submit a written re-grade request to me within one week of the time the assignment or exam has been returned to the class. The request should carefully explain the reason you believe a grading error has been made. I will consider your request and re-grade the entire assignment or exam. Your score may go up or down.