



PRINCIPLES OF AGRICULTURE MACROECONOMICS

AGEC 2103
Meets: M-W-F 11:50-12:40

Spring Semester 2015
Room: Plant Science 009

Instructor Information:

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Teaching assistant (TA) Information:

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Description in Course Catalog:

Applications of economic principles to the problems of agricultural production, distribution, and income; including a study of the interrelationship between agriculture and other segments of the economy; and the dynamic forces in the economy which affect agriculture. *Course Prerequisites: You must have taken (or be taking this semester) Math 1203 College Algebra*

Course Objectives:

Each student who successfully completes this course will understand key concepts in macroeconomics and have the ability to:

- understand how millions of people pursuing self interest coordinate to provide and consume the goods and services in a national economy
- describe the impact of technology on specialization in production and how technological advances change production and consumption and thereby affect individuals, firms, labor unions financial institutions
- explain the causes of inflation and recession
- describe the factors that are important in a nation's long-term economic growth
- explain why productivity growth is important
- describe the expected effects of changes in tax rates on the economy
- explain the expected effects of changes in interest rates on the economy
- explain the effects of the Federal government's spending policies on the economy and explain the influence of the Federal Reserve System on the economy
- describe the structure of the banking system
- show that the effectiveness of stabilization policy depends on the state of employment in the economy
- illustrate the effects of foreign demand for American products on American inflation and employment
- relate the above concepts to the modern agricultural sector, locally, nationally and internationally

Office Hours:

Regular office hours for Dr. Kovacs held in AGRI 216 are scheduled for Tuesdays and Thursdays from: 1:30-2:30p.m. I have an open door policy and welcome any questions that you may have. I am in my office most of the time and encourage you to stop by and ask questions.

Course Home Page on Blackboard 9.1:

Material for this course, including syllabus, presentation instructions and homeworks, can be found on Blackboard. You can reach Blackboard at <http://learn.uark.edu>. Login with your uark email username (do not use the "@uark.edu") and password. Once enrolled in AGECE 2103, the course will appear in your My Courses listing. Once in the course, click on the item of interest like "Homeworks" and then the menu under that item will come up and you click on the item of interest.

Grading:

Homework	20%	Exam II	15%
Final Exam	20%	Exam III	15%
Exam I	15%	In-class exercises	15%
		Total	100%

No hats may be worn during a quiz or an exam. Please bring a ruler to all hourly exams. There will be *three* (3) semester (hourly) exams and *one* (1) final exam. Students will drop *one* (1) of the three hourly exams. Make up exams *may* be permitted and *must* be arranged prior to the exam unless it is a medical emergency (personal or close family). **The final exam is *mandatory*.** You must bring a scantron form (No. 882-E) for each exam.

Grades will be assigned as follows:

A: > 88%	B: 87 - 79 %
C: 78 - 69 %	D: 68 - 60 %
F: < 60 %	

Note, the scores on the quizzes, exam and homework will be accessible on Blackboard but the cumulative grade reported on Blackboard is not accurate so ignore that. The instructor reserves the right-but not the obligation-to round up on borderline cases as a function of attendance (In-class exercises). No extra credit is available in this class.

In-class exercises: Students earn points on in-class exercises which at the end of the semester will be scaled to total of 100 points. In-class exercises will be based on text and class material. There will be about twenty in-class exercises during the semester. Students will drop their **three** lowest in-class exercise grades.

Homework: All homework must be downloaded from Blackboard. While homework may be worked on in groups, each student must turn in his/her own copy written in his/her own words. Blatant copying from one homework to another will result in zeros on all involved papers. **Students are encouraged to type all homework. Hard copy must be turned in. Electronic submission is not acceptable except in extenuating circumstances. All homework must be handed in at the beginning of class (by 11:50a.m.) on the date due.**

Late homework can be handed in the day it is due with penalty. Late homework must be turned into a department secretary in Agri 217. Late homework will be penalized as follows: Date due: -10 points after 11:50 a.m. No homework will be accepted after 4:30 p.m. on the due date for any reason other than severe illness. Homework may be submitted early. Students will drop one (1) homework grade in computing their homework grade component.

Textbooks and Other Required Materials:

The primary text book for this course is: William J. Baumol and Alan S. Blinder. *Macroeconomics Principles and Policy*. Thomson Southwestern. Twelfth edition, 2011 (ISBN: 978-0-538-45365-3). Students may also (but are not required to) purchase: Study Guide for Baumol/Blinder's *Macroeconomics: Principles and Policy*, 12th edition. Students who want to save money can rent a hard copy of the textbook for 60 days for approximately \$94 + shipping, or rent a digital copy of the textbook for 6 months for approximately \$74. Go to: <http://www.cengagebrain.com/shop/isbn/9780538453653>.

Class Attendance:

Students who miss class or arrive late will not have the opportunity to do the in-class exercise. Therefore it is important to arrive to class on time. Additionally, you are strongly encouraged to weigh the opportunity costs of missing class since lectures greatly aid in understanding course material. Some test and in-class exercise questions may come directly from material presented only in class (not in your textbook).

Class Notes:

An effort will be made by the instructor to provide students with the slides presented in class on Blackboard by 4:30 p.m. the Friday before the start of the new lecture week. However, there is no guarantee. Even when available, these slides will *not* be completely from your textbook, and thus *cannot* replace note taking in class. The slide presentation will be posted on Blackboard under Lecture Notes.

Electronic Devices:

Please turn off all electronic devices that ring, buzz or hum before class commences.

Students With Disabilities:

If you want to request reasonable accommodations for this class due to a disability, you must first register with the Center for Students with Disabilities (CSD) and hand-deliver an official Accommodation Letter from the CSD to me during my office hours or after class.

UA Academic Dishonesty Policy:

“As a core part of its mission, the University of Arkansas provides students with the opportunity to further their educational goals through programs of study and research in an environment that promotes freedom of inquiry and academic responsibility. Accomplishing this mission is only possible when intellectual honesty and individual integrity prevail.” “Each University of Arkansas student is required to be familiar with and abide by the University’s ‘Academic Integrity Policy’ which may be found at <http://provost.uark.edu/> Students with questions about how these policies apply to a particular course or assignment should immediately contact their instructor.”

Severe Weather:

If the campus is open and the Fayetteville public schools are open, class will most likely be held. However, each student must assess the danger of coming to campus and moving around on campus. If there is severe weather as declared by the University and the student believes it is unsafe for them to come to campus, then he/she should not come to campus. No assignment would be graded down in such a case and an exam would be re-scheduled. No in-class exercises are given during days of official severe weather. During severe weather the instructor will try to communicate with students via e-mail.

Emergency Procedures:

Many types of emergencies can occur on campus; instructions for specific emergencies such as severe weather, active shooter, or fire can be found at emergency.uark.edu.

Severe Weather (Tornado Warning):

- Follow the directions of the instructor or emergency personnel
- Seek shelter in the basement or interior room or hallway on the lowest floor, putting as many walls as possible between you and the outside
- If you are in a multi-story building, and you cannot get to the lowest floor, pick a hallway in the center of the building
- Stay in the center of the room, away from exterior walls, windows, and doors

Violence / Active Shooter (CADD):

- *CALL*- 9-1-1
- *AVOID*- If possible, self-evacuate to a safe area outside the building. Follow directions of police officers.
- *DENY*- Barricade the door with desk, chairs, bookcases or any items. Move to a place inside the room where you are not visible. Turn off the lights and remain quiet. Remain there until told by police it's safe.
- *DEFEND*- Use chairs, desks, cell phones or whatever is immediately available to distract and/or defend yourself and others from attack.

Useful Information Available on the Web

SOURCES OF SUPPLEMENTARY CLASS MATERIAL

Economic Report of the President
Citizen's guide to the federal budget
Purpose and Function of The Federal Reserve System
Understanding Rural America

<http://www.gpoaccess.gov/eop/>
<http://www.gpoaccess.gov/usbudget/>
<http://www.federalreserve.gov>
<http://www.ers.usda.gov/publications/aib710/>

ECONOMIC AND FINANCIAL NEWS AND INFORMATION

CNN Financial News Service
Economics Briefing Room at the White House
Federal Reserve Banks
Federal Reserve Board of Governors
The Motley Fool
Yahoo! Finance (Stock quotes and more)
Investor Words
Arkansas papers on the web
Businessweek Magazine
New York Times
Wall Street Journal Interactive Edition
The Economist

<http://money.cnn.com>
<http://www.whitehouse.gov/issues/economy>
<http://www.federalreserve.gov>
<http://www.federalreserve.gov/bios/>
<http://www.fool.com>
<http://finance.yahoo.com/>
<http://www.investorwords.com>
[http://www.newslink.org/arnews.](http://www.newslink.org/arnews)
[http:// www.businessweek.com/](http://www.businessweek.com/)
<http://www.nytimes.com/>
<http://www.wsj.com/>
<http://www.economist.com/world/>

ECONOMIC DATA AND STATISTICS

2010 US Statistical Abstract
Bureau of Economic Analysis
National Agricultural Statistic Service (NASS)
Bureau of Economic Research
Census
US State fact sheets

<http://www.census.gov/compendia/statab/>
<http://www.bea.gov/>
<http://www.nass.usda.gov> National
[http:// www.nber.org/](http://www.nber.org/) US Census Bureau
<http://www.census.gov>
<http://www.ers.usda.gov/Statefacts>

OTHER

Democratic National Committee
Economics Assistance Site
Links for Ag Economists
Republican National Committee
Univ of Arkhomepage for AEAB
US Senate
US House of Representatives

<http://www.democrats.org/index.html>
<http://econweb.com>
<http://www.aaea.org>
<http://www.rnc.org/>
<http://www.uark.edu/depts/agriecon/>
<http://www.senate.gov/>
<http://www.house.gov/>

Course Outline, Reading Assignments, Homework and Exams (*Dates/materials are subject to change*)

Week	Week of	Topic	Reading Material	Homework
1	Jan 12	What is Economics? The Economy	Chapter 1 pp. 3-19 Chapter 2 pp. 21-37	
2	Jan 19	<i>Martin Luther King Day (No Monday class)</i> The Economy (Cont.) Scarcity and Choice Supply and Demand	Chapter 3, pp. 39-53 Chapter 4, pp. 55-76	I
	Jan 26	LAST DAY TO DROP A COURSE WITHOUT A MARK OF A W		
3	Jan 26	Supply and Demand (Cont.) Introduction to Macro	Chapter 5, pp. 81-100	II
4	Feb 2	Goals of Macroeconomic Policy, Review	Chapter 6, pp. 103-127	III
5	Feb 9	Economic Growth Aggregate Demand	Chapter 7, pp. 129-145 Chapter 8, pp. 147-166	
	Feb 11	First Exam	Chapters 1-6 and class/homework material	
6	Feb 16	Demand-Side Equilibrium	Chapter 9, pp. 169-191	IV
7	Feb 23	Supply-Side Equilibrium	Chapter 10, pp. 193-210	
	Feb 25	EARLY PROGRESS GRADES E-MAILED FOR 1000 AND 2000 LEVEL COURSES		
8	Mar 2	Supply-Side Equilibrium (Cont.), Review		V
9	Mar 9	Managing Aggregate Demand	Chapter 11, pp. 215-23	
	Mar 11	Second Exam	Chapters 7-10 and class/homework material	
10	Mar 16	Money and The Banking System Monetary Policy	Chapter 12, pp. 235-255 Chapter 13, pp. 259-277	VI
11	Mar 23	SPRING BREAK (No classes)		
12	Mar 30	Monetary Policy	Chapter 13, pp. 259-277	
13	Apr 6	The Financial Crisis	Chapter 14, pp. 279-294	VII
14	Apr 13	Budget Deficits	Chapter 16, pp. 315-332	
	Apr 15	Third Exam	Chapters 11-14 and class/homework material	
15	Apr 20	International Trade and Comparative Advantage	Chapter 18, pp. 355-371	VIII
16	Apr 27	International Monetary System	Chapter 19, pp. 377-393	IX
17	Apr 30	LAST DAY TO OFFICIALLY WITHDRAW FROM ALL SPRING COURSES		
	May 1	Dead Day		
	May 6	FINAL EXAM 10:15a.m.-12:15p.m.	Materials from Full Semester	