

PRINCIPLES OF AGRICULTURAL MACROECONOMICS

HONORS PRINCIPLES OF AGRICULTURAL MACROECONOMICS

AGEC 2103/H

Spring Semester 2018

Meets: M-W-F 10:45-11:35

Room: Plant Science 9

Instructor Information:

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Teaching Assistant Information:

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Description in Course Catalog:

Applications of economic principles to 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:

- explain the causes of inflation and recession
- describe the factors that are important in a nation's long-term economic growth
- explain why growth of output is so 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
- explain the influence of the Federal Reserve System in the economy
- read and understand the Wall Street Journal
- 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 these concepts to the modern agricultural sector, locally, nationally and internationally
- simulate buying and selling in the stock market
- track major financial markets (NYSE, AMEX, NASDAQ) in the US
- explain major terms of investment

Honors Section:

This is a great way to get honors credit! Please consider enrolling in honors even if you are not an honors student. Honors students will be given additional coursework (and will meet together outside of class) in order to qualify for honors credit. Talk to Dr. J to make sure you are enrolled for Honors credit. Benefits of taking this section will be described in class.

Office Hours:

Regular office hours for Dr. J. are scheduled for Tuesday from 12:00pm-1:30pm or Wednesday from 11:30am-1:30pm. You can call or email to schedule an appointment. Office hours for our TA will be Wednesday 2:00pm-3:00pm and Thursday 1:00pm-3:00pm.

Contacting Dr. J and Mr. Tester

Speaking of email, we try really hard to be reasonable people! Dr. J and Mr. Tester will attempt to answer calls/emails within 24-48 hours if they are received Monday 8:00am to Friday 4:00 pm. Email is not regularly reviewed over the weekends **When emailing Dr. J and Mr. Tester, please make the subject title of the email AGECE 2103/H if you want it to be seen in a timely manner. Please send ALL emails to BOTH of us.** This will help ensure we see your email quickly and it provides proof (if we both receive it) that you indeed sent the message, in the event that one of us can't locate it. Do not send email through Blackboard. It goes down a black hole never to be retrieved again.

Do Check Your Email Daily:

Email is the official primary form of communication for this course, outside of what is said in class. Be sure to check your email daily for any announcements regarding course assignments, potential quizzes, etc. This will help ensure you do the very best possible in class!

Course Home Page and Blackboard:

A lot of economics focuses on efficiency so we try hard to be efficient in this class too. Course material, including syllabus, assignments, class notes, test reviews and links to reading materials are on Blackboard at <https://learn.uark.edu/>. Once enrolled in AGECE 2103/H, you can click on "my courses" to gain access to all of our materials. Please let Dr. J. know if you find any errors in this page or have any suggestions to make it more useful. We want to optimize this resource for you. Remember, Blackboard can go down without warning so check it regularly and do assignments/download early!

Textbooks:

The primary text book for this course is: William J. Baumol and Alan S. Blinder. *Macroeconomics Principles and Policy*. Cengage Learning. Thirteenth edition. Students may also (but are not required to) purchase: Study Guide for Baumol and Blinder's Economics: Principles and Policy, 12th edition.

Students are also highly encouraged to read the Wall Street Journal daily. You can get a personal student subscription, read in the library or a limited number of free copies (as long as you have your student id) are available from the magazine/newspaper boxes on campus. Daily quizzes will draw heavily from the journal and the presentations from the honors students. Other required and suggested readings will either be placed on reserve in the library or an internet link will be placed on Blackboard.

Grading:

Grades are assigned as follows: A (90+) B (80-89) C (70-79) D (60-69) F (<60)

Where do the points come from?

	<u>2103 Students</u>	<u>2103H Students</u>
Daily Quiz	5%	5%
Popp Quizzes	15%	15%
Homework	10%	10%
Exam I	20%	15%
Exam II	20%	15%
Exam III	20%	15%
WSJ Report	5%	5%
Stock Project	5%	20%

How many grades can you drop throughout the semester?

None. In other words: zero, zilch, nada, rein, null. You get the picture!

Calculating Your Grades:

Students are responsible for keeping track of their grades throughout the semester. All grades will be placed on Blackboard within a week of being earned (barring unforeseen circumstances). The lag time is included in case of the need for grade changes. You must calculate where you stand. The automatic calculations done by Blackboard are not accurate. Questions, come see us.

Fixing a Grading Error on Blackboard:

Please verify immediately that the grade listed on Blackboard is the grade you earned. If not, please make our TA aware of the error immediately by turning back in the assignment/quiz/exam that shows the correct grade. Corrections must be made within one week of being returned in class. All errors must be brought to our attention in person because we need the assignment.

Exams:

Please remove all hats before a quiz or an exam. Please bring a ruler and a #2 pencil to all quizzes/exams. You must use the calculator provided by the AEAB dept. There will be *three* (3) exams during the regular semester. Students cannot drop any of the three exams given this semester. Make up exams *may* be permitted and taken outside of class hours and *must* be arranged prior to the exam unless it is a medical emergency (personal or close family). Dr. J. may randomly reassign seats on exam and quiz days. The final quiz will take place at the scheduled final time.

Daily Quizzes:

A daily quiz is given at the start of nearly every class. Quiz questions will be based on text and class material as well as guest lecturers, student presentations and/or project materials. *Daily quizzes are the easy way to improve your grade.* You get extra point opportunities every day (so if you miss class no need to make them up!). Here is how it works. Students must earn an average of 3 points (out of a possible 5 points) each quiz day in order to get a perfect score. Students are given an opportunity to earn two bonus points on each quiz (so if you have an excused absence you can bank points to make sure you're covered for the missed day(s)). Daily quiz points will not be awarded to a student who leaves class early without a valid confirmed reason even if he/she was there to take the quiz. Daily quiz grades cannot be made up or dropped.

Homework:

All homework assignments must be downloaded from Blackboard. Homework can be submitted individually or as a team of two. While homework may be worked on in groups, team must turn in their own copy written in their own words. Blatant copying from one homework to another will result in zeros on all involved papers. Students are encouraged to type all homework although graphs can be hand-drawn. All homework must be:

- submitted for grading in hard copy
- stapled in top left hand corner if multiple pages
- placed on instructors desk on the day due before daily quiz begins
- turned in prior to due date if a student has a University Approved Excused Absence for that day

otherwise, it will not be accepted. Homework assignment grades cannot be dropped.

No answer keys are given, we will go over answers the day the homework is either due or returned.

Popp Quizzes:

"Popp quizzes" will be given throughout the semester. Some will be announced ahead of time, some will not. These quizzes will be used to help enforce materials presented in class.

Wall Street Journal (WSJ) Assignments:

All students will be required to make one 3 minute presentation in class. Students must choose an article in the WSJ and relate it to economic principles discussed in class. Students are required to turn in a one page summary and explanation that includes relevant graphs. In order to get full credit students must follow guidelines provided on Blackboard. Presentations may be rescheduled with advanced warning under special circumstances. **Otherwise, missed presentations will count as a zero.** Students will sign up for a WSJ presentation date during the first week of class. This sign up sheet will then be loaded onto Blackboard for your reference. More details will be provided in class and on Blackboard. **To get your own subscription for the Wallstreet journal at a highly discounted rate (\$1/week for 15 weeks) follow this ULR <http://r.wsj.net/l7FfM>**

Honors Student Stock Project:

Honors students will be required to build a stock portfolio this semester. Allowable investments will be among the publicly held companies whose headquarters are in Arkansas. Students will provide regular updates to the class regarding their portfolios as well as complete a short project at the end of the semester. Students who earn the most money (or perhaps who lose the least money) will receive bonus points on their project. Grade will be based on project report, not on actual trading activity. My goal is to assess what you learned from the experience and how it relates to macroeconomic policies in the country and world. Details will be provided in class.

Class Attendance:

As an economist, you must learn to manage your scarce resources, time being one of them. You must decide which provides the greater benefit - an extra hour of sleep or participating in a lecture/quiz/test. **Daily quizzes will be given promptly at the start of most classes. Students who miss class or arrive late will not have the opportunity to take the daily quiz.** Additionally, you are highly encouraged to weigh the opportunity costs of missing class as lectures will greatly aid in the understanding of the material. Some test and quiz questions may come directly from material presented only in class (not in your textbook). Class participation will be considered in the case of a borderline grade.

Seating:

The seat you choose on January 24th will be yours for the rest of the semester. This is necessary for the distribution of daily quiz and returned assignments/quizzes/tests in a timely manner. Further it helps the two of us get to know all of you! Choose your seat wisely. Anyone not in attendance that day will have their seat chosen for them (likely in the front row). If you have any special circumstances (e.g, visual, hearing) that require you to sit in a particular area, please let Dr. J. know. We will do our best to accommodate.

Class Notes and Reading of the Textbook:

An effort will be made to place class notes on Blackboard by 5:00 PM the Friday before the start of the new lecture week. Even when available, these notes will *not* be complete, they will *not* include notes relevant to some in-class discussions or other non-text readings and thus *cannot* replace note taking in class. Students are strongly encouraged to read all materials before the class as this course moves at a good pace. Powerpoints may include a list of required readings; others will be announced in class. Be prepared to take notes in class, it will help for the quizzes/exams!

Use of Computers and Cell Phones During Class:

In general, computers may not be used during class. If you have special circumstances that require you to use a computer you must have it approved by Dr. J at least one class period in advance of using the computer. Dr. J. reserves the right to choose the seats of anyone needing computer usage (most likely front row). In general, cell phones are not allowed to be used in class. Students using a cell phone for ANY purpose in class (other than a designated emergency as described below or another use pre-approved by Dr. J.) will be considered in violation of academic honesty rules and will be reported for sanctions. These computer and cell phone policies have been developed on the recommendations of previous students who found the inappropriate behavior distracting. We want to minimize distractions so everyone can learn!

Emergency Procedures:

The following information has been provided to us from the Provost's office. *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.*

In case of a tornado, our classroom and the hallway/stairwell outside of our classroom can serve as shelter. For other scenarios, if we need to vacate the classroom quickly, please be aware that exits include the door to the Plant Science building hallway (the main classroom entry/exit way) as well as the emergency exit by the instructor lectern in the front of the classroom. Please let Dr. J know if you have any questions or concerns.

Center for Educational Access:

Students who have received official university approval for alternate accommodations must present the official paperwork to Dr. J. during the first week of class. **If part of your accommodation includes a different setting for the exam please inform me at least one week before the exam so I can guarantee that your request can be met.** We have limited access to viable locations so time is needed to guarantee the space. Thank you!

Student Travel:

If you participate in a UA sponsored organization that requires you to travel, you will be excused from class but not from completing the material or from daily quiz. Be sure to earn those extra points each day! Apart from daily quiz, assignments/quizzes deadlines that overlap with scheduled travel (e.g., conferences, competitions, sporting events) must be completed before leaving for your trip. Travel made for personal reasons can also be approved but same rules for completing assignments holds here as well. Keep us posted and everything will go smoothly!

Extra Credit:

There are plenty of opportunities to earn lots of points as the course is structured. Please be sure to do your best on all assignments, quizzes and exams. No extra credit opportunities will be given.

Academic Dishonesty:

All UA faculty have been encouraged to include the following statement in the syllabus.

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.

In particular please visit <http://honesty.uark.edu/policy/index.php> for sanctions. This is serious stuff! Please do not place yourself or other students in a position to have to face such consequences. I want all my students to succeed!

Inappropriate Sharing of Course Materials:

Here is a rule you may not know. All notes/problem sets/quizzes/exams provided to you this semester are for the expressed usage of this course only. According to UA rules, students found sharing these materials (with individuals/websites/etc.) without written consent from Dr. J. will be subject to both legal and academic disciplinary action. This is serious stuff – let's avoid it! If you have any questions, please check with Dr. J. before you share.

Inclement Weather:

If both the University and Fayetteville school district are open by our class time, class will be held as scheduled. If UA is open but Fayetteville is closed, please check your email regarding attendance. Please use your best judgment before getting on the road – we want you to be safe! **Students who live off campus will have the opportunity to make up a missed exam in the case of inclement weather. Procedures for submitting assignments under weather circumstances will be discussed in class.**

Dropping this Class:

Valid situations can arise that warrant dropping a class. However, please see Dr. J. before you drop the class so we can properly assess whether this is in your best interest (things may not be as bad as you think!).

Managing Our Scarce Resources:

As economists, we value our scarce resources. There are some on campus who have moved their classes to a complete electronic format. In this class, I will provide to you the syllabus, notes and other handouts in electronic format with the hopes you will use the double sided printers on campus to print them as needed only once. In order to best grade your assignments and exams, most will need to be turned in as a hard copy. When things are required to be turned in in a hard copy, please optimize the use of the paper by writing/printing on both sides and minimizing your margin widths. Shred and recycle all papers at the end of the semester.

Koru Mindfulness:

Speaking of scarce resources, our scarcest resource is you! Therefore we are always looking for ways to help you be successful in and out of the classroom. Dr. J. joined some agribusiness and business school faculty in a meditation workshop called Koru Mindfulness. This course was designed with college students in mind and offers tips on making it through the day to day with as much joy and success as possible. I realize this isn't for everyone. But if you are interested, I've created a folder on Blackboard with links to the Koru Mindfulness website. All materials are free.

Politics and Macroeconomics:

It is nearly impossible to separate macroeconomics from policy. And that's ok, that's what makes the course so interesting – the real world applications! As such, we welcome political discussions in class as long as they are focused on macroeconomics related issues (save other topics for other classes). However, we require that all students be respectful of the opinions of others. Challenge each other yes, insult each other, no. We hope to foster an environment where all students can learn from one another as (*spoiler alert!*) macroeconomics shows us that no one party has all the answers and no one policy is right for the nation at all times.

Help Enhance Other Resources:

The other requirement when speaking political is that you back up your information with numerous, credible, sources. As we all know, the internet is filled with lots of misinformation, generated from all areas of the political spectrum. Part of our objective this semester is to help you find credible sources of macroeconomic information and to evaluate multiple sides of an issue in an evaluation. At the end of this syllabus is a very small list of sources that can be used throughout this semester related to topics we discuss. Please help us enhance this list with additional credible sources. Watch blackboard for a bonus opportunity sometime this semester!

We Look Forward to Working with You This Semester!

Students taking this course come from a variety of backgrounds. Some have a strong understanding of economics; others have strengths in other sciences, engineering, or policy. The application of economics concepts to real world situations involves an understanding of and collaboration across disciplines. While this can present challenges and draw many out of their comfort zone, it is critical to the development of sound analysis and good policy. It is hoped that all students from all backgrounds will share their thoughts and experiences to enrich the learning process.

Our goal is to make this class a practical, challenging and rewarding experience for everyone.

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

Week	Starts	Topic	Readings	H
1	Jan 17	What is Economics (on your own) The Economy Myth and Reality	Chapter 1 Chapter 2	
2	Jan 22	The Fundamental Economic Problem Supply and Demand, An Initial Look	Chapter 3 Chapter 4	I
3	Jan 29	Introduction to Macroeconomics Stock Market Introduction	Chapter 5	II
4	Feb 5	Stock Market Introduction The Goals of Macroeconomic Policy	Chapter 6	
	Feb 7	EXAM I*	Chapters 1-5, Stock Introduction, WSJ	
5	Feb 12	The Goals of Macroeconomic Policy Con't Economic Growth: Theory and Policy	Chapter 6 Chapter 7	
6	Feb 19	Aggregate Demand and The Powerful Consumer Demand Side Equilibrium: Unemployment or Inflation	Chapter 8 Chapter 9	III
7	Feb 26	Bringing in Supply Side: Unemployment and Inflation	Chapter 10	IV
8	Mar 5	Managing Aggregate Demand Fiscal Policy	Chapter 11	V
9	Mar 12	Money and the Banking System	Chapter 12	
	Mar 14	<i>EARLY PROGRESS GRADES EMAILED</i>		
	Mar 14	EXAM II**	Chapters 6-11 Stock Project WSJ	
	Mar 16	Catch Up, Make Up		
10	Mar 19	<i>SPRING BREAK</i>		
11	Mar 26	Money and the Banking System Con't Monetary Policy: Conventional and Unconventional	Chapter 12 Chapter 13	
12	Apr 2	The Financial Crisis and Great Recession The Debate over Fiscal and Monetary Policy	Chapter 14 Chapter 15	VI
13	Apr 9	The Debate over Fiscal and Monetary Policy Con't Budget Deficits in the Short and Long Run	Chapter 15 Chapter 16	
14	Apr 16	Budget Deficits in the Short and Long Run Con't The Trade off Between Inflation and Unemployment	Chapter 16 Chapter 17	VII
	Apr 20	<i>LAST DAY TO DROP A CLASS WITH A MARK OF A "W"</i>		
15	Apr 23	International Trade and Comparative Advantage The International Monetary System	Chapter 18 Chapter 19	
16	Apr 30	EXAM III***	Chapters 12-17, Stock Project, WSJ	
	May 3	<i>LAST DAY TO WITHDRAW FROM ALL SEMESTER CLASSES</i>		
	May 4	<i>DEAD DAY</i>		
	May 7	FINAL QUIZ 10:15am-12:15 pm Plant Science 9		

*Exam 1 Optional Review Session Tuesday Feb 6th, 5:30pm start, AFLS107E (by Animal Science)

**Exam 2 Optional Review Session Tuesday Mar 13th, 5:30pm start, AFLS 107E

***Exam 3 Optional Review Session Sunday April 29th, 4:00pm start, PLSC 9 (our classroom)

Useful Information Available on the Web

THESE SITES ARE GOOD FOR CLASS	
Citizen's guide to the federal budget	https://www.gpo.gov/fdsys/pkg/BUDGET-1997-CITIZENSGUIDE/content-detail.html
Economic Report of the President	https://www.gpo.gov/fdsys/browse/collection.action?collectionCode=ERP
Intro to Macroeconomics (Dr. Yeager)	http://econweb.com/macro/index.html
Khanacademy Macroeconomics	https://www.khanacademy.org/economics-finance-domain/macroeconomics
Macroeconomics: Investopedia	https://www.investopedia.com/university/macroeconomics/
Monetary Policy Primer	https://www.alt-m.org/2016/04/21/a-monetary-policy-primer-part-money/
Purpose and Function of The Federal Reserve System	http://www.federalreserve.gov
Understanding Rural America	https://www.ers.usda.gov/topics/rural-economy-population/
ECONOMIC AND FINANCIAL NEWS AND INFORMATION	
American Journalism Review lists all newspapers in the US that are available on the web	newslink.org/statnews.html
Arkansas papers on the web	www.newslink.org/arnews.html
Bloomberg	www.bloomberg.com
Businessweek Magazine	www.businessweek.com/
CNN Financial News Service	http:// www.money.cnn.com/
Econlink	http://www.ncat.edu/~simkinss/econlinks.html
Economics Statistics Briefing Room at the White House	www.whitehouse.gov/news/fsbr.html updated info on interest rates, employment, output, prices, production, etc
Economist	www.economist.com
Federal Reserve Banks	http://www.federalreserve.gov
Federal Reserve Board of Governors	http://www.federalreserve.gov/bios/
Forbes	www.forbes.com
Fox Business	foxbusiness.com
Investopedia	investopedia.com
Investor Words	http://www.investorwords.com
Marketwatch News Viewer	https://www.marketwatch.com/newsviewer
New York Times	www.nytimes.com/
The Dismal Scientist	https://www.economy.com/
The Motley Fool Investment advice and more	Http://www.fool.com
Wall Street Journal Interactive Edition check the links to free sites concerning stock quotes, barrons, careers	www.wsj.com/
Yahoo! Finance (Stock quotes and more)	finance.yahoo.com/
ECONOMIC DATA AND STATISTICS	
Arkansas Ag Profile 2017 (coming soon!)	
Bureau of Economic Analysis	www.bea.gov/
National Agricultural Statistic Service (NASS) obtain email subscriptions to over 50 ERS, NASS and WAOB pubs	www.nass.usda.gov/

National Bureau of Economic Research	www.nber.org/
SLPP Econ Development Web site	www.hhh.umn.edu/Centers/SLP/
Statistical Abstract of the US 2012	https://www.census.gov/library/publications/2011/compendia/statab/131ed.html
US Census Bureau	www.census.gov
US State fact sheets	www.ers.usda.gov/StateFacts/
USDA Census of Agriculture	https://www.agcensus.usda.gov/
OTHER	
American Applied Economics Association	www.aaea.org
Arkansas State Legislature	http://www.arkleg.state.ar.us/assembly/2017/2018F/Pages/Home.aspx
Democratic National Committee	www.democrats.org
Nobel Prize Winners in Economics	https://www.nobelprize.org/nobel_prizes/economic-sciences/laureates/
Republican National Committee	www.rnc.org
US House of Representatives	www.house.gov
US Senate	www.senate.gov

This list is available on blackboard in the syllabus folder and is called "Useful Website Links".