

**Agricultural Macroeconomics**  
**AEB 3281 – Section 10149 – 3 credits**  
**Fall Semester, 2018**

**INSTRUCTOR:**

Dr. Bhawna Thapa  
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**CLASSROOM:**

McCarty Hall A #G186  
Monday, Wednesday, Friday: 4<sup>th</sup> period (10:40 AM - 11:30 AM)

**OFFICE HOURS:**

Monday, Wednesday, Friday: 11:40 AM – 12:40 PM.

E-mail is an efficient and convenient way to ask questions. Please note that I do not utilize the e-mail tool within E-Learning – please use [bhawna@ufl.edu](mailto:bhawna@ufl.edu) for all correspondence. If the posted office hours don't work for you, I strongly recommend scheduling a meeting time via email. For brief questions, you are welcome to approach me in class *after* the lectures.

**TEACHING ASSISTANT:**

Junhong Chen  
Office: Forthcoming (see canvas webpage for updates)  
Email: [junhongchen@ufl.edu](mailto:junhongchen@ufl.edu)  
Office hours: Monday, Wednesday, and Friday, 11:40 AM – 12:40 PM

**FRE Undergraduate Advisor:** Jermaine Dunn

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**E-Learning:** There is an E-Learning Canvas web-page for this course. To access E-Learning, you will need your Gatorlink username and password. E-Learning can be accessed via <http://elearning.ufl.edu>. If you are having difficulties accessing E-Learning, please contact the UF Computing Help Desk by calling (352) 392-HELP or via e-mail [helpdesk@ufl.edu](mailto:helpdesk@ufl.edu). You will need your UFID/Gatorlink information when contacting them. The E-Learning page should be operational by the end of the first week of class. Grades will be posted under the 'Grades' tab on the home screen

*The instructor reserves the right to change the terms and dates stated in this Course Syllabus at any time. Any changes will be communicated in class, via the Gatorlink e-mail listserv, and posted on E-Learning. It is solely the student's responsibility to stay informed of any changes.*

**Required Text:** Macroeconomics 9th edition, by N. Gregory Mankiw, Worth Publishers/McMillan Education, 2016. ISBN: 978-1-4641-48289-1. You will need a copy of the textbook for this course!

**COURSE DESCRIPTION:** This is an applied intermediate macroeconomic theory course. An introduction to the world economy from a macroeconomic perspective, focusing on the linkages arising from international trade and capital flows in the agricultural sector. This course is designed to familiarize students with the behavior of the economy as an aggregate unit and the theories (and models) explaining over-all economic performance. The focus is on understanding underlying relationships. Where appropriate, this course emphasizes the interrelatedness of national economies with respect to macroeconomic policies, trade flows, international capital movements, exchange rates, and economic performance.

**COURSE OBJECTIVES:** AEB3281 has five main course objectives. After the successful completion of this course, the typical student should be able to

1. Access economic news with greater sophistication;
2. Relate macroeconomic events to the operations of a firm;
3. Assess the impact of proposed macroeconomic policies;
4. Understand the interrelatedness of national economies;
5. Understand why economic activity fluctuates.

These five objectives are accomplished by developing an understanding of...

- ... the measurement of overall economic activity;
- ... the distribution of national income among economic agents in an economy;
- ... the dynamics between national savings, national investment, and interest rates;
- ... the workings of the Federal Reserve and monetary policy;
- ... how fiscal policy and monetary policy affect the overall economy;
- ... the interaction and interdependence of national economies;
- ... the determination of the trade balance;
- ... the dynamics of exchange rates;
- ... the workings of the business cycle;
- ... the role policy plays in stabilizing and influencing the economy;
- ... the causes and consequences of the 2008 – 2010 financial and economic crisis.

**Prerequisite:** ECO2013 Principles of Macroeconomics, or the equivalent.

**Format:** AEB3281 is an analytical course. As such, the primary methods of instruction are traditional lectures and discussions. Quantitative reasoning, economic principles, and analytical methods are used extensively. This course will proceed at a fairly rapid pace. Consequently, it is expected that students keep up with reading the textbook, preferably prior to each lecture. Students are encouraged to be active classroom participants.

**Attendance:** Students are expected to attend class and to be in class on-time. Attending class is a prerequisite for doing well in this course. We are going to proceed at a rather quick pace. Given the nature and quantity of material covered, missing class will detrimentally impact your performance in this course. It is further assumed that students will arrive to class on-time. Arriving late or leaving early without prior consent is considered unprofessional behavior.

**Course Outline:** This outline may be altered as deemed appropriate by the instructor. Any changes will be communicated in class. Below you will find a brief outline of the material to be covered; the subsequent pages provide a more detailed chapter-by-chapter outline.

**Brief Outline:**

The contents of this course can be divided into three distinct modules:

- **Basic Macroeconomic Foundations and Statistics**  
This *very brief* introductory module deals with the review of basic macroeconomic concepts and methodology. The emphasis is on understanding how economic activity is measured. Attention will also be given to the interpretation of economic statistics and the identification of any shortcomings of the way we approach economic activity.
- **Long-run Analysis and Fundamentals – Classical Macroeconomics**  
This module deals with the study of long-run macroeconomic fundamentals and the relationships between key economic variables. Interrelatedness of national economies is stressed.
- **Business Cycles and Economic Fluctuations – Keynesian Macroeconomics**  
This *extensive* module deals with the study of short-term and intermediate-term economic fluctuations, such as recessions and expansions. Economic policy is emphasized. The role of the United States in the global economy is discussed. Particular attention will be given to the 2008 – 2009 financial/economic crisis.

**Detailed Course Outline:**

**I. Basic Macroeconomic Foundations and Statistics**

*Ch 1: The Science of Macroeconomics (pp. 1 – 14)*

- Scope of Macroeconomic Analysis
- Macroeconomic Models
- Endogenous and Exogenous variables

*Ch 2: The Data of Macroeconomics (pp. 17 – 43)*

- Gross Domestic Product
- Nominal GDP vs. Real GDP
- Prices
- GDP Deflator vs. Consumer Price Index
- Inflation
- Unemployment

**II. Long-run Analysis and Fundamentals: Classical Macroeconomics**

*Ch 3: National Income (pp. 47 – 77; you can skip pp. 51 – 64)*

- An economy's production function
- Determinants of economy-wide supply of goods and services
- Determinants of economy-wide demand for goods and services
- Spending components of GDP and the allocation of income
- Consumption function
  - Marginal propensities to consume and save

- Investment function
- Interest rate determination
  - Savings and investment analysis
- Impact of fiscal policy: a preliminary approach

*Ch 6: The Open Economy (pp. 139 – 169; you can skip pp. 165 – 168)*

- International flows of goods and services
- International flows of financial capital
- Savings & investment and the trade balance
- Impact of fiscal policy domestically: open economy case
- Impact of fiscal policy abroad: open economy case
- Impact of trade policy
- Exchange rates
  - Nominal exchange rates
  - Real exchange rates
- Determining exchange rates in open-economy equilibrium
- Impact of fiscal policy and trade policy
  - ‘Twin deficits’

*Ch 4: The Monetary System: What It Is and How It Works (pp. 81 – 101; you can skip pp. 88 – 95)*

- Functions of money
- The role of the monetary authorities and the Central Bank
- The Federal Reserve System
- Policy instruments of the Federal Reserve
  - Open market operations, discount rate, reserve requirements
- Distinction between different interest rates

*Ch 5: Inflation: It’s Causes, Effects, and Social Costs (pp. 105 – 132; you can skip pp. 118 – 120)*

- Inflation
- The Quantity theory of money
  - The relationship between the money supply and the price level
- The Fisher effect: the linkage between inflation and interest rates

### **III. Business Cycles and Economic Fluctuations: Keynesian Macroeconomics**

*Ch 10: Introduction to Economic Fluctuations (pp. 281 – 308)*

- The business cycle
  - Recessions and expansions
- Okun’s Law and unemployment
- Long-run vs. Short-run
- Aggregate Demand and Aggregate Supply
  - Impact of Monetary policy
  - Shocks
  - Policy responses to economic occurrences

*Ch 11: Aggregate Demand I: Building the IS-LM Model (pp. 311 – 335)*

- The market for goods and services: the Keynesian cross
  - Government spending multiplier effect
  - Tax multiplier effect
  - Derivation of the IS-curve
- Keynesian money market model
  - Derivation of the LM-curve
- Short-run macroeconomic equilibrium
  - Determination of income and interest rates

*Ch 12: Aggregate Demand II: Applying the IS-LM Model (pp. 337 – 362)*

- Explaining economic fluctuations
  - Impact of fiscal policy
  - Impact of monetary policy
  - Interaction between policies and policy mixes
- The Liquidity Trap
- The Great Depression
- Financial Crisis of 2008 – 2009 and the resulting recession

*Ch 20: The Financial System: Opportunities and Dangers (pp. 581 – 603)*

- Anatomy of the 2008 – 2009 financial crisis and recession
- What led to the crisis and its aftermath

*Ch 13 Appendix: A Short-Run Model of the Large Open Economy (pp. 402 – 406)*

- Business cycles in a large open economy
- Impact of fiscal policy, monetary policy, and trade policy

*In-class Movie (!): 'Inside Job' (2010, Sony Pictures Classics)*

At the end of each chapter you will find numerous exercises labeled ‘Questions for Review’ and ‘Problems and Applications.’ Below you will find a list of recommended exercises associated with each chapter. The solutions for all exercises can be found on the E-Learning web-page under the ‘Solutions’ tab. To do well in this course you need to master these exercises.

Chapter	Page	Questions for Review	Problems and Applications
<b>Chapter 1</b> The Science of Macroeconomics	14-15	1, 2	2, 3
<b>Chapter 2</b> The Data of Macroeconomics	43-45	1, 2, 3, 5	2, 4, 7, 8, 9, 10
<b>Chapter 3</b> National Income	77-79	1, 5, 6, 7, 8	8, 10, 11
<b>Chapter 4</b> The Monetary System	102	1, 2, 3, 5, 6	None
<b>Chapter 5</b> Inflation: It’s Causes, Effects, and Social Costs	133-134	1, 2, 4, 7	1, 6
<b>Chapter 6</b> The Open Economy	170-171	1, 2, 3, 4,	2, 3, 4, 5, 6
<b>Chapter 10</b> Introduction to Economic Fluctuations	308-309	1, 3, 4	2, 3 ( <i>part b only</i> )
<b>Chapter 11</b> Aggregate Demand I: Building the IS-LM Model	335-336	1, 2, 3, 4	1, 2, 5, 6
<b>Chapter 12</b> Aggregate Demand II: Applying the IS-LM Model	362-364	1, 2, 3	1, 3, 6, 7, 8
<b>Chapter 13 Appendix A</b> Short-Run Model of the Large Open Economy	406	N/A	1, 3

**Professional Etiquette:** In order to provide a productive environment conducive to everyone’s learning, adherence to the following guidelines is expected:

- Cellular phones are not allowed to be used in class. No texting or any other use of cellular devices is permitted or tolerated in class. Please silence your device;
- Students are expected to be on-time for class. It is disruptive when students arrive late – not to mention disrespectful to myself and your fellow students;
- Leaving class early without prior permission is not tolerated;
- You should avoid talking amongst each other once the lectures begin (this includes conversations about the material and the class itself);
- Laptops should only be used as a study tool (to download class lectures and take notes). Please respect this request.
- Exceptions will be made with proper documentation from the Disability Resource Center.

If you cannot comply with these simple expectations, you may be asked to leave the classroom and you will be counted as absent. The instructor reserves the right to penalize any student violating these rules by deducting points from the student’s grade as appropriate.

**Grades:** You have the *opportunity* to earn up to 400 points throughout the semester. The applicable grading scale is outlined below. Your final grade for AEB3281 will be based on the following:

100 possible points	Exam 1 (25%)
100 possible points	Exam 2 (25%)
100 possible points	Exam 3 (25%)
20 possible points	In-class Assignment (5%)
80 possible points	Current Event Reports (20%)
<b>400 possible total points</b>	

<b>A</b>	<b>(≥ 372)</b>	<b>C</b>	<b>(292 - 307)</b>
<b>A-</b>	<b>(360 - 371)</b>	<b>C-</b>	<b>(280 - 291)</b>
<b>B+</b>	<b>(348 - 359)</b>	<b>D+</b>	<b>(268 - 279)</b>
<b>B</b>	<b>(332 - 347)</b>	<b>D</b>	<b>(252 - 267)</b>
<b>B-</b>	<b>(320 - 331)</b>	<b>D-</b>	<b>(240 - 251)</b>
<b>C+</b>	<b>(308 - 319)</b>	<b>E</b>	<b>(≤ 239)</b>

Please note that grades are not ‘rounded’ or ‘adjusted’ at the end of the term. Haggling over grades at the end of the semester is NOT entertained. Of course, if I did a mistake in grading your exam I will gladly give you the correct points. If you believe that your exam is incorrectly graded or that your grade is incorrectly posted, please contact me via e-mail (i.e., in writing) as soon as possible. You have 7 days after the grade has been posted to voice your concern. After 7 days have passed, your posted grade will be assumed to be correct and accurate.

**Exams:** There will be three (3) regular in-class exams. Each exam is worth 100 points. The exams will consist of combinations of multiple choice, short-answer and essay/problem-solving questions. The exams are closed book and closed notes. While you may need a simple, scientific calculator for the exams, graphing calculators, cell phones, touch-screen devices, or laptops are not allowed. If you are unsure whether your calculator is acceptable for use in AEB3281, please consult with your instructor. Sharing calculators is not allowed.

There will be an **optional comprehensive Final Exam on Tuesday, December 11 at 12:30pm held at the regular classroom** (please make note of the time!), also worth 100 points. The Final Exam is administered in our regular classroom. The Final Exam is exclusively multiple-choice. The Final Exam may replace your lowest test score out of the three regularly scheduled mid-term exams, if it is to your advantage. If you miss any of the regular two exams regardless of reason, the Final Exam will count in its place.

Make-up exams not entertained. Early or late exams are not given. However, university athletes are allowed to make up exams missed due to official university sporting events pending ample advanced WRITTEN notification.

**Exam Dates:**

<b>Exam 1:</b>	<b>Friday, September 28 @ 10:40am</b>
<b>Exam 2:</b>	<b>Friday, October 26 @ 10:40am</b>
<b>Exam 3:</b>	<b>Wednesday, November 28 @ 10:40am</b>
<b>(Optional) Final Exam:</b>	<b>Tuesday, December 11 @ 12:30pm</b>

**Exam dates are subject to change at the discretion of the instructor. Any changes will be communicated on E-learning Canvas and via the Gatorlink listserv. Any changes to these proposed dates will be announced at least two weeks in advance.**

**Exam day policy:** It is expected that all students be on time to exams. Please arrive early, if possible, to get seated and get your books/bags stowed away so that the exam can be started on the stated time. If you need to use the bathroom, please do so before the exam begins. Students are not allowed to leave the classroom during exams and re-enter the classroom. No one will be allowed to enter the classroom to begin the exam after the first student has turned in their finished exam. This policy also applies to the Final Exam.

**Current Event Reports:** Four (4) Current Even Reports are due during the semester as team work assignments (groups of 2-3 students - see additional details below). Each report is worth 20 points. These reports must be typed, double spaced, using font size 12, one inch margins (i.e., standard Microsoft Word default margin settings), properly referenced (e.g., MLA or APA style), and checked for grammar and spelling. Handwritten reports or email submissions are not accepted. Each report should be at least three (3) typed pages in length (excluding the cover-sheet and references). Turning in the same assignment as some other student in class constitutes cheating and will be treated as such. Current Event Reports will be graded on **content, grammar, spelling, referencing, and style.**

For each report, you are to find three (3) recent news articles, either in print-press (for example: The New York Times, The Economist, the Wall Street Journal, etc.) or online (for example: [www.cnn.com](http://www.cnn.com), [www.msnbc.com](http://www.msnbc.com), [www.foxnews.com](http://www.foxnews.com), [www.nyt.com](http://www.nyt.com), etc.) pertaining to some macroeconomic issues of your choice. The University of Florida Library should have plenty of sources available, if you prefer print journalism. You should feel free to choose any articles that interest you, pending that they are dealing with macroeconomics. The articles you chose **MUST NOT** be more than 20 days old from the due date of the report. Papers using older articles will automatically be given a grade of 0. If the article does not have a clear publication date, source, author, etc, do not use it. Blogs of any kind may not be used and would result in a grade of 0. Be careful about this!

Each *Current Event Report* has four (4) components – all 4 components are required for full credit:

1. Attach a separate typed cover-sheet with names of all students in the group AND another sheet with the list of references for the articles used. Not counted in the three page requirement.
2. Provide a summary (typed, double spaced, font size 12) of the three articles in your own words (just copying sentences from the article is plagiarism and is NOT considered a summary).
3. Provide an analysis (typed, double spaced, font size 12) of how the three articles relate to the material covered in class. Be sure to address how the tools/concepts discussed in class pertain to

your articles and what concepts are illustrated by the articles. Feel free to draw your own conclusions based on what we have talked about in class.

4. The additional sheet with list of references does not count towards the page requirement. This sheet will contain list of all references or articles used (i.e., author, source, and date of publication). See article from Google Scholar for examples on how to list and cite your references. You can use any style (APA, Harvard, Chicago, etc.), just be consistent.
5. Attach photocopies (or print-outs) of the three articles used for the report.

The Current Event Reports are due NO LATER THAN 10:40am (i.e., BEFORE the class officially begins) on the announced due dates. E-mailed submissions are not accepted. The Current Event Reports should be placed in a NEAT pile on the podium in front of the classroom. Early submissions are encouraged. You may simply slide your completed report under my office door or hand it to me in person.

**Current Event Report Due Dates:**

<b>Current Event Report 1:</b>	<b>Friday, September 21 @10:40am</b>
<b>Current Event Report 2:</b>	<b>Wednesday, October 10 @10:40am</b>
<b>Current Event Report 3:</b>	<b>Wednesday, October 31 @10:40am</b>
<b>Current Event Report 4:</b>	<b>Monday, November 19 @10:40am</b>

***TEAMWORK and opportunity to earn extra points on Current Event Reports:*** Depending on final class size, you will form group of 2-3 people by communicating amongst yourselves via the “Discussions” tab on canvas course website, or we will randomly assign the groups in class. It is the student’s sole responsibility to meet with the instructor if you have not been assigned a group by the end of 2<sup>nd</sup> week of class. The teams will work together to submit the Current Event Reports. At the end of the semester, you will anonymously assign ‘teamwork points’ to the other members of your team (but not to yourself) based on each team member’s contributions. Full teamwork points or positive reviews indicating meaningful contribution will be awarded with 5 extra points while negative reviews will result in deduction of 5 points from the particular student’s final current event report grade. The bonus points will be added to the grade at the end of the semester after the evaluations are completed. So please plan on full participation working on these reports.

**In-class Assignment:** Towards the end of the semester, we will watch a movie in class, namely *Inside Job* from Sony Pictures Classics. It won the Academy Award (i.e., the Oscar) ® for ‘Best Documentary Feature’ in 2011. In conjunction with viewing the film, we will do an in-class assignment, worth a total of 20 points. The movie and the assignment will be administered in-class during the last 3 classes of the semester: **Friday – November 30, Monday - December 3, and Wednesday - December 5. There are no make-up opportunities given for this assignment.** Exceptions will be made for student participating in official UF sponsored events requiring their participation, i.e., University athletes or certain Student Government officials. More details about the assignment will be provided in class.

**Things to remember:**

This class is supposed to be a fun and enjoyable experience and one that will help you improve skills you will be called upon to utilize in your careers. Everyone is going to participate in class, so be supportive to your classmates and they will be supportive of you!

**UNIVERSITY POLICIES:**

Students are responsible for all deadlines/critical dates and policies set forth by the University of Florida. Deadlines/critical dates are published on the University of Florida Office of the University Registrar's web-site, <http://www.registrar.ufl.edu/>. Current academic policies are presented in the University of Florida Undergraduate Catalog, <https://catalog.ufl.edu/ugrad/current/Pages/home.aspx>. Please make sure you familiarize yourself with these resources.

**Online Course Evaluation Process:** Student assessment of instruction is an important part of efforts to improve teaching and learning. At the end of the semester, students are expected to provide feedback on the quality of instruction in this course using a standard set of university and college criteria. These evaluations are conducted online at <https://evaluations.ufl.edu>. Evaluations are typically open for students to complete during the last two or three weeks of the semester; students will be notified of the specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results>.

**Academic Honesty:** As a student at the University of Florida, you have committed yourself to uphold the Honor Code, which includes the following pledge: "*We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.*" You are expected to exhibit behavior consistent with this commitment to the UF academic community, and on all work submitted for credit at the University of Florida, the following pledge is either required or implied: "*On my honor, I have neither given nor received unauthorized aid in doing this assignment.*"

It is assumed that you will complete all work independently in each course unless the instructor provides explicit permission for you to collaborate on course tasks (e.g. assignments, papers, quizzes, exams). Furthermore, as part of your obligation to uphold the Honor Code, you should report any condition that facilitates academic misconduct to appropriate personnel. It is your individual responsibility to know and comply with all university policies and procedures regarding academic integrity and the Student Honor Code. Violations of the Honor Code at the University of Florida will not be tolerated. Violations will be reported to the Dean of Students Office for consideration of disciplinary action. For more information regarding the Student Honor Code, please see: <http://www.dso.ufl.edu/sccr/process/student-conduct-honor-code>.

**Software Use:** All faculty, staff and students of the university are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against university policies and rules, disciplinary action will be taken as appropriate.

**Students Requesting Classroom Accommodation:** Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, [www.dso.ufl.edu/drc/](http://www.dso.ufl.edu/drc/)) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodations. Students with disabilities should follow this procedure as early as possible in the semester. This must be done at least 10 days prior to any accommodation is needed.

**Campus Helping Resources:** Students experiencing crises or personal problems that interfere with their general well-being are encouraged to utilize the university's counseling resources. The Counseling & Wellness Center provides confidential counseling services at no cost for currently enrolled students. Resources are available on campus for students having personal problems or lacking clear career or academic goals, which interfere with their academic performance.

- For career guidance: Career Resource Center, 392-1602, [www.crc.ufl.edu](http://www.crc.ufl.edu).
- For general student affairs: Dean of Students Office, 392-1261 (after hours, please call 392-1111);
- For mental health consultations: Counseling & Wellness Center, 392-1575 (24/7 phone access);
- For students experiencing distress: U Matter, We Care, 294-2273, [www.umatter.ufl.edu](http://www.umatter.ufl.edu);
- For physical health consultations: Student Health Care Center, 392-1161;
- For victims of sexual assault: Office of Victim Services, 392-5648 (after hours, please call 392-1111);

**Student Responsibility:** Students should report any condition that facilitates dishonesty to the instructor, department chair, college dean or Student Honor Court.

**Faculty Responsibility:** Faculty members have a duty to promote honest behavior and to avoid practices and environments that foster cheating in their classes. Teachers should encourage students to bring negative conditions or incidents of dishonesty to their attention. In their own work, teachers should practice the same high standards they expect from their students.

**Administration Responsibility:** As highly visible members of our academic community, administrators should be ever vigilant to promote academic honesty and conduct their lives in an ethically exemplary manner. This policy will be vigorously upheld at all times in this course.

This policy will be vigorously upheld at all times in this course. Any instances of academic dishonesty will be reported to Student Judicial Affairs.

**By enrolling in this course you are agreeing to the terms outlined in this syllabus.**

**I wish everyone a rewarding and productive semester ☺**

**If you have any questions about the content, policies, requirements, and grading for this course,  
please ask!**

**GO GATORS!!!**