

Finance 101 – Monetary Economics and the Global Economy
Spring 2020 Syllabus
Professor Saka

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Lectures: Lecture 1: M/W 9 am
 Lecture 2: M/W 10.30 am
 Lecture 3: M/W 12 pm

All times in this document (exams, homework submissions, lectures, office hours) are EST.

1. Course Description

Finance 101 is an intermediate-level course in macroeconomics, with a particular emphasis on monetary and international aspects. The goal of the course is to provide a coherent framework for analyzing macroeconomic events (e.g. recessions) and macroeconomic policy, and thereby better understand the environment in which firms, households, governments and financial intermediaries operate. Throughout the course, the analysis is applied to current events, both in the US and abroad.

The course is structured into the following parts: measurement, long-run economic performance, business cycles and macroeconomic policy, and institutions. The first part discusses how economists gauge the performance of the economy as a whole, with an additional emphasis on economic indicators that are useful in the real-time analysis of the impact of macroeconomic events/news on the financial markets. The second and third parts discuss the structure of the national economy by focusing on three major sectors and relating their decisions to the circular flows of income and expenditures in the aggregate economy, and how movement in those sectors determine the short-run fluctuations and relate to long-run economic performance. Finally, we discuss the institutions that make decisions for the economy, and this section will focus mainly on the Federal Reserve Bank and its policies. Throughout the course, the material is applied to better understand general issues such as cyclical fluctuations, economic growth and stabilization role of monetary and fiscal policy, as well to specific topics such as the Covid global economic crisis, trade questions, or the European housing/debt crisis. At the end of the semester, we apply foundational and empirical knowledge to review several global economic events.

Course delivery during a virtual semester:

Finance 101 has both asynchronous (recorded) and synchronous (live) components: We have a 1/3 asynchronous, 2/3 synchronous structure.

You'll have 2 lectures and 1 recitation per week. A typical week will have the following 3 components, in the following order:

1. Watch asynchronous lecture (recorded by Prof. Saka and uploaded on Canvas). The recording will be uploaded on the Friday before the Monday, so you'll have the weekend

to get ready for the Monday lecture. Recordings cover basic definitions, equations, graphs.

2. Attend Monday's live lecture with Prof. Saka at your assigned lecture time. Review data / solve examples / cover current events & assigned readings
3. Attend Wednesday's live lecture with a TA at your assigned lecture time. Solve problems to solidify what we've learned during the week. (We call this time slot a "Recitation" because it will solely include problem solving).
4. For ANY questions you have left, attend an office hour to resolve the issue. Class moves fast. Don't wait to ask your questions in a timely manner.

Therefore every week, you'll see the professor twice for lecture (1 recording + 1 live), your TA once for problem solving (live). We'll record the live sessions.

Come prepared to our live meeting, having thoroughly studied the recording. Time and size of class permitting, I'll try to take your questions. You will be able to ask more meaningful questions, so that we can use our time effectively. The live lecture will not repeat what's in the recording, for the sake of efficiency.

On Canvas, click on Zoom on the LHS menu. On a weekly basis, you'll see 3 lectures, 5 recitations, 5 office hours. You have to attend at least 1 lecture and 1 recitation.

If you wish, you may attend office hours, or the additional recitations we'll host on Fridays.

2. Course Materials

The required textbook for the course is "Macroeconomics" by Abel, Bernanke, and Croushore [ABC] (Pearson, 10th edition), with access to MyEconLab. The textbook is available for purchase in the bookstore.

Earlier editions of the textbook could also be used. If you purchase an earlier edition of the text, or borrow a copy from a friend, you still need to purchase "MyEconLab" separately.

If you are located outside the United States and cannot get books from the Penn Bookstore, you may use the following links and ISBN's:

Digital book and MyEconLab:

<https://www.pearson.com/store/p/macroeconomics/P100002678554/9780135160541>

Instant Access ISBN - 9780135160541

Physical book:

Access code (physical code) ISBN – 9780135160510

Websites: Canvas and MyEconLab software (to be purchased)

On Canvas you'll be able to access:

- Announcements
- Modules
 - Syllabus
 - Homework access instructions, homework questions and answers
 - Lecture Notes- (slide deck for chapters)
 - Lecture Readings – from several media sources and the Fed
 - Lecture Videos
 - Recitation Material, Recitation Recordings
 - TA and Professor Contact Information, Office hour information
 - Sample Tests
 - Links to important economic and financial institutions' blogs

- Your grades

Instructions on how to sign on to MyEconLab are on Canvas. Have an account by this weekend. Use your Penn email to sign up. If you don't, we may not be able to match your homework grade to you at the end of the semester. Course ID is **saka57046**.

3. Deliverables and Grading:

Examinations: 75 %

Problem sets: 15 %

Global Analysis Project: 10 % (peer graded)

3. a. Exams:

To accommodate all students in different time zones during the pandemic, all exams will have a 24 hour window in which they can be completed. You'll have 90 minutes to finish an exam, but you can place the 90 minutes anywhere you wish within the 24 hour window. Once you start your exam, your clock can't be stopped. If you start the exam too late, the clock will automatically stop when the exam window closes.

Exam 1: 2/17 12 pm noon - 12/18 12 pm noon (24-hour window for a 90-min exam)

Exam 2: 3/17 12 pm noon - 3/18 12 pm noon (24-hour window for a 90-min exam)

Exam 3: 4/26 12 pm noon - 4/27 12 pm noon (24-hour window for a 90-min exam)

Method 1: for those who show consistent performance throughout the semester

Exam 1, Exam 2, Exam 3: 25% each

Method 2: for those who show improvement throughout the semester

Exam 1: 20%, Exam 2: 25%, Exam 3: 30%

We'll calculate your grade based on the two methods and automatically give you the higher grade.

Exams are to be taken on your own. The pandemic makes proctoring extremely difficult. I'll put safeguards in place by writing many more questions than necessary, so that 2 people don't get the same exam. You may not consult other individuals (your peers, tutors, parents, or any other human being) during tests.

Departmental policy says:

There are only a few valid excuses for missing an exam. They are:

- documented illness/health emergencies
- religious observance
- documented disabilities that allow you to take the exam under other circumstances
- a death in the family

Examples of reasons that are *not* valid for missing an exam are:

- job interviews
- job internships
- personal vacations/ family weddings
- end of semester early flights
- any other reason you would prefer not to be at the university when the exam is scheduled

We are aware that some of these do not apply this semester. However: Students are responsible for making sure, at the beginning of the term, that they can attend the exams. Registering for a course means that you certify that you will be present for the exam (unless one of the explicitly stated exceptions above arises.)

If you are unexpectedly ill at the time of the exam and unable to reach the instructor ahead of time, then you can give notification and documentation of your illness as soon as you are able. Do not take an exam if you are ill and then expect to have an opportunity to retake the exam because you were ill the first time and did poorly.

3.b. Problem sets

There will be 6 graded problem sets. Homework is due via MyEconLab. You will get long problem sets with a varying degree of difficulty in questions, whose purpose is to make you think about economic theories and applications. You will get both theoretical and empirical questions. You'll analyze real-time economic data that is made available by the Federal Reserve Bank.

Each homework will be worth 30 points, giving you the possibility of accumulating 180 points across 6 homeworks. The moment you accumulate 150 points, you will get the full 15% grade for the homework. For example, if you solve 2/3 of the questions in HW1 and submit it by the deadline, you'll accumulate 20 points (2/3 of 30) towards your goal of 150.

Any score below 150 will be prorated. Ex: 125 points will give you 12.5%, any score above 150 will be capped at 15%. Ex: 168 points will give you 15% towards your final grade. You may not redistribute excess homework score towards other parts of the grading.

Because of this flexibility, late homeworks are NEVER accepted and we will not regrade homework questions, unless a glitch appears in the software *that affects everyone*. If a glitch appears in your software so you can't access the homework, you have to solve that problem in advance to be able to submit your homework in a timely manner. Please do not send the professor screenshots of why you couldn't access the website, etc.

3. c. Global Analysis Project (GAP)

You'll get much more detailed instructions as we get closer to the project. Here is a brief summary.

Content of the project:

The Global Analysis Project is a group assignment promoting teamwork and communication, near the end of the semester. Each group will give an in-class presentation applying the course material to analyze the macroeconomic situation of a foreign country. A list of important economic events will be provided for you and once you submit your choice of team members, you will choose your economic event.

Style of the project:

All members need to be present on the day of the presentation and teams may present in any way they choose. As the professor I'll enforce the time constraint and may ask questions. I will try to make myself disappear from these discussions to promote peer engagement. The presenting team should make the material interesting and challenging enough so that listeners are motivated to ask questions and engage with the presentation.

Grading of the project:

This is a peer-graded project. Every student will get a chance to grade the teams, except their own.

All students in the group will get the same grade regardless of their individual contributions. Part of the task is to organize the team so that all members contribute equally and their skills are utilized in the best way possible. If a member doesn't show up on the day of the presentation, his GAP grade will automatically be 0%. There is no regrading of the GAP score, because it will reflect the average opinion of all your peers and your professor.

3.d. Attendance, Attention and Participation

Attendance is mandatory. If you live in a dramatically different time zone and need to attend another section of this class, email the finance department requesting a change. Due to extraordinary circumstances related to the pandemic, there is no grade associated with attendance. However, I'll reserve the right to reduce your grade if you have consistent lack of interest/attendance in this class.

You may not be absent on presentation days. You may not be absent on our last meeting day when we'll do peer grading. Those who miss class on those days will lose 2% of their overall grade.

Check your schedule today. If you think you won't be able to attend class more than 3 times due to your extracurricular activities, this is not the right semester for you to be taking Finance 101.

4. How to study for Finance 101:

- *Before class:* Must watch recording, and also read the chapter material assigned for that day. Also read the newspaper articles assigned for that day. Think about the article and try to interpret the author's point of view to the best of your ability.
- *During class:* Lecture notes are provided as a slide deck for your convenience. Still, I suggest that you work on graphs concurrently as I'm working on them on the board.
- *After class:* Re-read your notes within 24 hours to make sure you understood the lecture. Re-read the text briefly, but do not memorize. You are welcome to work in groups for the homeworks, but make sure that you spend time by yourself before you meet your study partners. Even if you prefer to work for your assignments in groups, every homework must be individually written and submitted.
- *On a weekly basis:* Attend office hours. Weekly recitations will be crucial in preparing you for examinations.
- *Throughout the semester:* Make it a habit to follow economic & financial news. An extensive list of newspaper articles are assigned in addition to chapter readings. To keep up with current events, readings should be completed before class.
- In Finance 101, you'll have to do a lot of reading/studying. Prepare to spend time on this class.

5. Whom to Contact/ Additional resources

- For *joining a section* or *changing sections*: This could be done through Courses in Touch, and waitlists are not kept by the professor.
- For problems relating to access to *Canvas*: Go to <http://www.library.upenn.edu/courseware/> and click "Support for Students"
- For *MyEconLab* software/technology related questions: the Pearson Help Center: 800-677-6337. Course ID is **saka57046**
- For *class material* (problems, math, graphing, concepts): Contact a TA during office hours or recitations. Attending office hours and being present and asking questions in class are the

best ways to learn. Sending emails about graphs or mathematical material or general concepts is not the best way to learn. Use ProfSakaFin101@gmail.com as a last resort.

- *Special needs/arrangements*: Reasonable accommodation will be made for those with special needs. Please contact Student Disability Services (SDS) and Professor Saka asap.

- *For extra practice questions*: On top of the lecture material, you have extra questions:
 - on the MyEconLab software (not graded, these are called “study plan”);
 - practice questions for each chapter as recitation guidelines (not graded);
 - practice tests on Canvas (not graded)
 - your homework assignments (graded).
 - You will be provided with enough practice questions. Do not seek extra questions from outside sources (friends in other colleges, other textbooks, etc).
 - Office hours are scheduled such that there is Fin 101 help for you every day of the week.

6. Policies

a. Late/missed work

No late homeworks are accepted. No make-up for homeworks or Group Analysis Projects will be provided. No extra credit assignments for missed homework will be provided.

b. Regrading requests

Every exam will have its own grading policy published on Canvas for maximum transparency. Check your grading scheme against the policy.

Regrading requests must be made within one week from the date that the exam is returned.

c. Integrity. Penn has a clear Code of Academic Integrity. It’s your responsibility to familiarize yourself with the code, and to follow it to the letter:

http://www.upenn.edu/provost/PennBook/academic_integrity_code_of

d. FAIRNESS: The rules on grading implicitly involve flexibilities, and furthermore, these flexibilities are equally applied to everyone. You’re not punished for missing 1 homework, or some parts of several homeworks; and one-time poor performances will get lower weights. Because of this embedded flexibility, further pleas for exceptions or extensions will not be entertained. Use your flexibilities wisely: Prepare to submit all homework in a timely manner and use your “free pass” for a true emergency.

Class schedule:

	Date	Text	Notes
	1/20	Syllabus, Ch1	
Asynchronous	Recording Ch 2,3		Complete readings* for Ch 2,3
Synchronous M	1/25	Ch 2,3	
Synchronous W	1/27	Ch 2,3	
Asynchronous	Recording Ch 4		Complete readings for Ch 4
Synchronous M	2/1	Ch 4	
Synchronous W	2/3	Ch 4	
Asynchronous	Recording Ch 5		Complete readings for Ch 5
Synchronous M	2/8	Ch 5	
Synchronous W	2/10	Ch 5	
Asynchronous	None		
Synchronous M	2/15	Review Session	Ch 1-5
Synchronous W	2/17	Exam 1	24-hour window for a 90-min exam 2/17 12 pm noon-2/18 12 pm noon
Asynchronous	Recording Ch 8,9 Part1		Complete readings for Ch 8
Synchronous M	2/22	Ch 8,9	
Synchronous W	2/24	Ch 8,9	
Asynchronous	Recording Ch 9 Part 2		Complete readings for Ch 9
Synchronous M	3/1	Ch 9	
Synchronous W	3/3	Ch 9	
Asynchronous	Recording Ch 10,11		Complete readings for Ch 10, 11
Synchronous M	3/8	Ch 10,11	
Synchronous W	No session		Spring Break
Asynchronous	None		
Synchronous M	3/15	Review Session	Ch 8-11, Submit Global Analysis Project Team and Subject
Synchronous W	3/17	Exam 2	24-hour window for a 90-min exam 3/17 12 pm noon-3/18 12 pm noon
Asynchronous	Recording Ch 13		Complete readings for Ch 13
Synchronous M	3/22	Ch 13	
Synchronous W	3/24	Ch 13	

Asynchronous	Recording Ch 14, 15		Complete readings for Ch 14, 15
Synchronous M	3/29	Ch 14, 15	
Synchronous W	3/31	Ch 14, 15	
Asynchronous	None		
Synchronous M	4/5	None	Groups prepare for GAP
Synchronous W	4/7		GAP Presentation I
Asynchronous	None		
Synchronous M	4/12	None	No school
Synchronous W	4/14		GAP Presentation II
Asynchronous	None		
Synchronous M	4/19		GAP Presentation III
Synchronous W	4/21	Review Session	Ch 13, 14, 15
Asynchronous	None		
Synchronous M	4/26	Exam 3	24-hour window for a 90-min exam 4/26 12 pm noon-4/27 12 pm noon
Synchronous W	4/28	Closing Remarks	Must attend for GAP grading

*All readings are on Canvas, under Modules\Readings that Accompany Chapters. For your convenience, each reading is titled by the corresponding Chapter number. For example: “2- 2020 Year in Review- The impact of Covid 19 in 12 Charts” is for Chapter 2, and should be completed before the Live discussion of Chapter 2.

Homework Information Summary:

Homeworks are completed on the MyEconLab software.

- Sign up using the course code: **saka57046**
- When signing up, use your Penn email.
- If your purchase arrives late and you're now late to complete HW1, open a "guest account" at MyEconLab. You may work on the software for free for 2 weeks, and when you purchase the software, transfer your information.
- Assignments appear 7 days before the due date. An announcement on Canvas will remind you that a homework is ready. If there is no announcement, it's your job to still go ahead and complete the assignments. Copy the schedule below to your calendar today.
- The software allows you to work on the assignment and save your progress and revisit the assignment again, make changes, etc. But you have to "submit" before the due date.
- You may work together for the homework. But everyone needs to submit their own copy.
- Late homework is not accepted.

	Coverage	Due Date All homework due at 9 am
HW 1	Chapters 1,2,3	2/1
HW 2	Chapters 4,5	2/15
HW 3	Chapters 7,8	3/1
HW 4	Chapters 9,10,11	3/15
HW 5	Chapters 13	3/29
HW 6	Chapters 14,15	4/21