

Lecture: Monday and Wednesday 8:30– 10:20 AM
At MOR 221

Office Hours: To be announced.

Email: aamink@uw.edu

Our course website is at:
<https://canvas.uw.edu/courses/1519995>

Please read the following carefully:

Overall Description of the Course:

Macroeconomics is the study of economic behavior in aggregate – how an economy grows and changes, and perhaps most importantly, how (if at all) we can manipulate it in order to increase overall welfare. Almost by definition, macro is the study of generating the greatest economic benefits for the greatest number by the most efficient available means. Along the way, we will consider theories of money, trade, unemployment, business cycles and growth.

Student Learning Goals:

The goals for your learning fall into a couple of categories:

1. Fundamental Knowledge

- Understand and be able to use macroeconomic terminology
- Explain how the highest-valued alternative foregone is the opportunity cost of what is chosen
- Explain who determines the growth of production and prices in the economy
- Analyze the causes of growth and recession.
- Analyze how government policies and different institutional arrangements affect the allocation of resources in an economy

2. Application

- Use macroeconomic principles to understand and explain economic events and other social phenomena
- Critique the economic content of articles or presentations
- Appreciate the usefulness of economic reasoning in social decision making

Textbook and Related Reading Material: Our main textbook is Principles of Macroeconomics (6th ed.), by Paul Krugman and Robin Wells (published by Macmillan) **with Achieve Learning**. If you like to purchase an earlier edition of the textbook that is fine too. The only drawback of an earlier edition is that it may exclude some of the additional problems at the end of chapters that have been added to the latest edition. Also, you would still have to purchase the access to Achieve separately.

Lectures:

Lectures will be delivered in person but given the circumstances we might hold classes via Zoom instead. All Zoom sessions will be recorded so you can watch or rewatch at any time.

Although it is not required that you attend live it is strongly recommended. However, **On the exam and quiz days, you must be present, live, to take the exams.**

Topics and Chapters:

1. Introduction to economics and the concepts of scarcity and opportunity cost including some examples and applications. Chapters 1 and 2.
2. Supply and Demand, the basic models of markets. Chapter 3.
3. Introduction to Macroeconomics, history of macroeconomics as a discipline. Chapter 6.
4. Macroeconomic Data. What do we look at when talking about the macroeconomy? We will look at GDP, output, income, the price level, and inflation. Chapters 7 and 8.
5. International trade, consumer and producer surplus. Chapter 5.
6. Long Run Growth. We will start thinking about what determines output, starting with the long run. We will learn about the role of capital, human capital, infrastructure and institutions. Chapter 9
7. Savings and Investment. What determines how much people save, and firms invest? We will look at the function of capital markets and financial markets. Chapter 10.
8. Income and Expenditure. What determines how much people spend, and how do firms know to produce enough to meet their demand? We will learn the Keynesian Cross, an important model of income and spending, and Multiplier Process of spending. Chapter 11
9. We will then add the price level to the story of income and expenditure, completing our theory of what determines economic output and prices. This model of Aggregate Demand and Supply will be our main tool to analyze the macroeconomy. Chapter 12.
10. Fiscal Policy: How can the government respond to recession? What does the government do with the taxes and spending it carries out? Chapter 13.
11. Money and Banking. We will show that money is a very special financial asset, and that banking plays a very special role in money creation. Chapter 14
12. Monetary Policy is carried out by the Federal Reserve; we will discuss the history and role of the Fed, and how they can respond to recession using Monetary Policy. Chapter 15.
13. We will conclude by analyzing an important episode of Macroeconomic history, the Disinflation of the early 80s, and talk about the limits of using Monetary Policy to promote growth. Chapter 16. Or maybe we'll talk about the most recent recession and the important of financial crises. Chapter 17. We'll see. Sometimes we get to this, sometimes we don't.

Evaluating student learning:

As you might expect, this quarter is likely to be very different than other quarters at UW. This is our current plan for grading and evaluation, but we may make changes to this as the quarter progresses. If what we are doing isn't working well, we will change it!

- **Homework from Achieve:** There will be a set of questions titled "problem sets" (HWs) assigned in Achieve. These will be assigned approximately weekly and will be automatically graded in Sapling. The questions in this type of assignment check your understanding of the concepts and on a few occasions ask you to analyze a problem using the concepts you have learned. **Your Homework will be collectively worth 10% of your course grade.**
- **Exams:**
 - There will be **one non-cumulative final exam**. 110 minutes long at the beginning of the last class. You will need a calculator for some of the questions on your quizzes/exam. Please bring a simple 4-function or a scientific calculator to all your quizzes and exams. Graphing calculators are *not* allowed in any of the exams in this course. After completing the exam, you must scan your answer sheet (loose leaf paper) with a PDF scanner app such as Adobe Scan and upload your answer to canvas. **Final Exam is worth 45% of your grade.**
 - **Midterm:** There will be a midterm conducted during normal class time. It will take at most the entire session. **Your midterm is worth 35% of your grade.**

Note: All tests will be conducted **in person**, during normal class time.

- **Article Responses:** You will submit **two** article responses over the quarter. For each, you will find a news article from a major newspaper or periodical (either in its physical format or online incarnation) that 1) was written after the previous response was due, and 2) relates to a course topic taught after the previous response was due. Articles from aggregators (Google, Yahoo, AP feeds) are not accepted, neither are blogs or opinion pieces, even if they are hosted on news sites. *The only acceptable sources for this article response are **The Wall Street Journal, The Financial Times, and the New York Times.*** You must describe, in your own words, the issues presented in the article, and then summarize how the material taught in class explains the information, events, or phenomenon in the article. This economic explanation must relate to a theoretical graph (one with some sort of equilibrium, like Supply and Demand, the PPF). **The graph must be drawn and included in your response.** You must submit your response and the article by the schedule. Late responses are subject to a penalty. The written component of the response should fit on the provided form, and not longer than one additional page. Be brief! Responses will be evaluated in a very simple manner, out of 5 points. **The Article Responses are collectively worth 10% of your grade (5% each).**

When submitting answers to canvas, all diagrams and sketches must be scanned and uploaded. It is also preferred if you type your analysis instead of scanning your writing on paper.

Grading and the grade scale:

The grading policy of the Department of Economics sets the upper boundary for the Median grade in principles of economics courses at 3.1. We will maintain a median grade for this course in the 2.9-3.1 range.

Exam Taking Rules:

1. Material allowed during a closed book exam.

i. All books, papers, notebooks, etc., must be placed inside your backpack or other type of bag, which must be securely and fully closed. If you do not have a bag, you must place all your material out of your reach.

ii. Only a basic 4-function or a scientific calculator may be used during an exam. Graphing calculators will not be allowed. Sharing of calculators is not permitted.

iii. No other electronic devices can be accessible during the exam. Cellular phones must be turned off before entering the class and placed in your closed bag (not in your pocket). You are not allowed to use a cellular phone during an exam. Doing so will result in the termination of your exam time.

iv. Baseball caps and any other kinds of headgear that conceal your eyes are not permitted.

2. Attendance and special accommodation

i. If you start late on an exam, you cannot expect to get extra time after the official end of the exam to make up for the missing time at the beginning.

ii. If you have a documented disability, please bring documentation from the Office of Disability Resources for Students on the first day of class, so that I can make any arrangements required for accommodations.

Academic Honesty

1. Exams are individual work and cheating will not be tolerated. Looking at a neighbor's exam is considered cheating. If a student is seen committing this act, they will not be allowed to continue taking their exam. The neighbor sitting next to the student will also be duly punished if they are seen as facilitating this act of cheating.

2. Altering an exam before submitting it for a review of the grading, obtaining an advance copy of an examination, or arranging for a surrogate test-taker are all flagrant violations of university policy.

3. Cheating of any kind may result in expulsion from the University. The Department will follow University policy in case of academic misconduct. I strongly recommend that you review University policy at

<http://www.washington.edu/uaa/advising/help/academichonesty.php>

Students found to have engaged in academic dishonesty will be subject to sanctions, which range from a disciplinary warning to permanent expulsion from the University, depending on the seriousness of the misconduct.

Religious Accommodations

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at [Religious Accommodations Policy](https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/)

(<https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/>). Accommodations must be requested within the first two weeks of this course using the [Religious Accommodations Request form](https://registrar.washington.edu/students/religious-accommodations-request/) (<https://registrar.washington.edu/students/religious-accommodations-request/>).

The following message is available from UW Human Resources.

UW Safe Campus

Preventing violence is everyone's responsibility. If you're concerned, tell someone.

* Always call 911 if you or others may be in danger.

* Call 206-685-SAFE (7233) to report non-urgent threats of violence and for referrals to UW counseling and/or safety resources. TTY or VP callers, please call through your preferred relay service.

* Don't walk alone. Campus safety guards can walk with you on campus after dark. Call Husky Night Walk 206-685-WALK (9255).

* Stay connected in an emergency with UW Alert. Register your mobile number to receive instant notification of campus emergencies via text and voice messaging. Sign up online at www.washington.edu/alert

For more information visit the Safe Campus website at

www.washington.edu/safecampus