

INTERMEDIATE MACROECONOMICS

In ECON 301 A, lectures will be offered in a mixed hybrid mode, with pre-recorded content and in-person lectures and exams. Lecture contents will be provided both live and remotely. Office hours will be held remotely through Zoom. Weekly assignments must be submitted remotely via Achieve (the lowest one will be dropped). Exams will be given in person. There will be two closed-book exams. If you miss any exams for any reason, you will be asked to take make-up exams.

Instructor: Herbert(Yuming) Liu (yl244@uw.edu)

Lecture:

T TH 1:30 – 3:20 PM

First week: We will meet in THO 125 for the first class.

Starting from the second week:

Tuesday: THO 125

Thursday: pre-record lecture (uploaded on Canvas before Thursday class)

Dhongkyu Yoon (ECON 301 C) will record her first lecture starting from the second week, and those recordings will be available on Canvas. Use recordings from other sessions as references.

Attendance is not required but highly recommended.

Office Hours: TBD

By Zoom (<https://washington.zoom.us/j/91235921033>)

Due to COVID-19, office hours will be fully online. Please feel free to ask questions after classes.

Course Web Page: via Canvas

Policy for Classrooms:

- Masks are **REQUIRED** at all times in the classroom, regardless of the vaccination status. Failure to follow the guideline will be asked to leave or reported to the Student Misconduct Office. (<https://www.washington.edu/coronavirus/2021/09/15/faq-what-should-instructors-do-if-a-student-refuses-to-wear-a-mask-in-class/>)
- **No eating.** Hydration is allowed, but you have to put on your masks immediately after drinking. UW Eating and Drinking Guidance (<https://www.ehs.washington.edu/system/files/resources/eating-space-guidance.pdf>)
- The student who tests positive should contact the DRS office immediately for any accommodations.
- Students are not allowed to ask if their classmates are vaccinated or not.
- Accommodations will be made if there are any circumstances that happen.

Course Overview: This course develops the tools of modern macroeconomic theory in the context of the global economy and explains the determination of aggregate output; of employment and prices; the tools of monetary and fiscal policy used by governments to

fight inflation and unemployment and to promote growth in the economy. The purpose of this course is to explain the macroeconomic theory and to use it as a framework for discussing the current state of the US and world economy and for analyzing recent economic policy issues.

This class is conducted in-person. Students are expected to participate in class to fully benefit from course activities and meet the course's learning objectives. Students should only register for this class if they are able to attend in-person. To protect their fellow students, faculty, and staff, students who feel ill or exhibit possible COVID symptoms should not come to class. When absent, it is the responsibility of the student to inform the instructor in advance (or as close to the class period as possible in the case of an unexpected absence), and to request appropriate make-up work as per policies established in the syllabus. What make-up work is possible, or how assignments or course grading might be modified to accommodate missed work, is the prerogative of the instructor.

Learning Objectives for Econ 301:

- Understand the importance of microeconomics as a foundation for macroeconomics
- Understand how aggregate economic activity is measured at the level of a nation
- Understand how basic models of the economy summarize and explain the interactions between these main macroeconomic measures, output, employment, and inflation
- Understand what causes economic activity to fluctuate over the years, from recessions to full employment and back
- Understand the role of government in trying to smooth out these fluctuations
- Understand the links between the domestic economy and the rest of the world
- Understand the differences between adjustment in the short run and adjustment in the long run
- Understand the insights conveyed by the various schools of thought –Keynesian economics with sticky prices, classical economics with flexible prices, and various syntheses of the two
- Understand how the economy grows in the very long run through capital accumulation and technological progress
- Understand specific concepts like dynamics and expectations

Textbook:

- N. Gregory Mankiw – Macroeconomics – 10th ed. – Worth Publishers Macmillan Learning NY With Achieve Access
- You must purchase Achieve Access, but for textbook, hard copy or e-book (either is fine)
- If you would like to purchase hard copy + Achieve Access, please see the textbook below:

Loose-leaf Version of Macroeconomics & Achieve Essentials for Macroeconomics (1-Term Access) by N. Gregory Mankiw
ISBN: 9781319454340

Course Outline:

Introduction – Chapter 1 and 2

Economy in the Long Run – Chapter 3,4,5,6 and 7

Growth Theory – Chapter 8

Economy in the Short Run – Business Cycle Theory – Chapter 10,11,12 and 14

COURSE REQUIREMENTS

READINGS: Slides will be assigned regularly and the chapters for reading for each slide will be listed on the front page of each slide – it is advised to do such reading before the class covering the specific material. In addition to the textbook chapters, further compulsory readings will be assigned: these articles will be available on-line. You are also advised to check the Economist or the Financial Times where current economic issues are analyzed as they occur.

NOTES AND POWERPOINT SLIDES: Material including summary notes for each chapter and unfinished slides will be available regularly from the *course protected web page*. The slides will provide the framework for each lecture – students will be able to write in their own class notes as the lecture proceeds.

NOTE: All the material you need to download from the course web page is protected and restricted to the students registered in the class.

ASSIGNMENTS: There will be 8 assignments during the quarter (the questions will be assigned one week ahead). Completed assignments must be submitted on Achieve before midnight on the due date day.

EXAMS: There will be 2 exams (1.5 hours each). The final will be cumulative but focus more on the second part of this course.

GRADE: Weighting: Homework 20% - exams 40% each

REMARK: If you have any difficulty with the material (or any problem), come to the zoom office hours as soon as possible because the material covered in this course becomes more complex over time and is based on your overall understanding from week to week. It is thus essential to read the chapters assigned in the textbook on a regular basis and to work out the practice problems. **Tutoring by the upper-class EUB students will be available at regular hours.** You can check the schedule available on the EUB web page at <http://depts.washington.edu/ecnboard/eub-tutoring/>

PREREQUISITES: The prerequisite for ECON 301, Intermediate Macroeconomics, is **ECON 300** and the prerequisites for ECON 300, Intermediate Microeconomics, are MATH 112 or MATH 124, and both ECON 200 and ECON 201. Students must NOT take ECON 300 and ECON 301 CONCURRENTLY as some of the theory developed at the beginning of ECON 301 is based on theory taught in ECON 300.

Academic integrity is the cornerstone of the Department's rules for student conduct and evaluation of student learning. Students accused of academic misconduct will be referred directly to the Office of Community Standards and Student Conduct for disciplinary action pursuant to the Student Conduct Code and, if found guilty, will be subject to sanctions. Sanctions range from a disciplinary warning to academic probation, to immediate

dismissal for the Department and the University, depending on the seriousness of the misconduct. Dismissal can be, and has been, applied even for first offenses. Moreover, a grade of zero can be assigned by the instructor for the course. <https://econ.washington.edu/policy-academic-conduct>

Course Policy

I Exam Absence Policy

If you are unable to make it to an exam period *due to illness or another serious unexpected happening*, contact your instructor the same day to notify him/her that you are not able to take the exam. The make-up exams will be held, on **Saturdays**, for Sections A and C together.

If you cannot take the make-up final, you will receive an incomplete grade, and you will be responsible for rescheduling a makeup exam in the next quarter.

Rules will follow as we approach the midterm.

II Exam Taking Rules:

1. Material allowed during a closed book exam.
 - Only keep writing tools and **basic calculators** (i.e. simple 4-functions calculators). Graphing calculators or calculators with memories will not be allowed.
 - You are not allowed to use any electronic devices, such as a **cellular phone or tablet**, during an exam. Doing so will result in the termination of your exam time and report to the Student Misconduct Office (your exam being taken from you at this point).
2. Attendance and special accommodation
 - If you arrive **late** to 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.
 - If you need any accommodations, please contact the DRS Office directly on the first day of class, so that your instructor can make all the necessary arrangements if you wish to take your exam in a separate place.
3. Academic honesty
 - Exams are individual work and **cheating will not be tolerated**. Students cannot change their answers after they have turned their exam in. All the exams will be scanned.
 - Cheating of any kind may result in expulsion from the university. The Department of Economics will follow university policy in case of academic dishonesty. These rules complement/supplement the university rules, which are spelled out at <http://www.washington.edu/uaa/advising/help/academichonesty.php>

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III. Homework Policy

- There will be 8 assignments. Weekly assignments must be submitted before the deadlines (in general, Thursday 11:59 PM) on Achieve.
- Late submission policy: for every 24 hours past the time, an additional 25% will be taken off. If you submitted on Friday at 12:00 am, that would be 25% off. Please manage your time wisely.
- If you need any health-related accommodations, please contact the DRS office directly.
- The lowest grade will be dropped, and only the best 7 out of 8 are counted towards your grade for this class.
- For each question, you will have two attempts. If you are wrong the first time, then you can get up to 80%. If you cannot get the correct answers at the second chance, then you will receive a zero for that question.
- Solutions for the HW will be shown after the due date.

IV. E-mail

Please use your UW account for any communication with your instructor. E-mails with unknown addresses will be discarded unread.

V. Grading & Regrading rules

There is a (preliminary) grade scale on the basis of which we determine course grades. We will maintain a median grade for this course in the 2.9 - 3.1 range. The grading policy of the Department of Economics sets the upper boundary for the Median grade in principles of economics courses at 3.1. If the median grade for the course happens to be outside of 2.9 - 3.1 range on the preliminary grade scale, I will adjust the grade scale accordingly.

A natural grade distribution will follow thus limiting the number of students receiving 3.5 or more, the criteria for joining the Honors Program. According to the UW Grading Guideline, grades from 1.9 - 2.1 should show “evidence of some learning but generally marginal performance. Marginal chance of success in subsequent courses in field” (i.e., 400-level Econ courses).

- Grading Rules:
 - If you make a mistake that has an impact on subsequent answers, I try to reduce the effect on your grade in the following manner
 - If the subsequent answers depend on your incorrect answer but are consistent with your incorrect answer, I will grade them “correct”, and I will not take points off
 - If the subsequent answers depend on your incorrect answer but are not consistent with your incorrect answer although they may be right according to the answer key, I will grade them “not correct” and I will take points off

- **Regrading Rules:**

Only if the grades are calculated incorrectly (arithmetic errors while summing up the grades), then you could talk with me after class or email me along with your scanned copies. Your grades will be fixed immediately.

In any other cases, if you would like to ask for a regrade of your exam, please submit your original copy of your exam along with one-page explanation in person. In the one-page explanation, please state which questions you would like to ask for regrading and why. I will be happy to recheck your answer, and please notice that the whole exam will be re-graded in that case.

Schedule

1. Week 1 Introduction

- a) Chapter 1 & 2
- b) Achieve Assignment 1: Ch 1 & 2

2. Week 2 National Income and Monetary System

- a) Chapter 3 & 4
- b) Achieve Assignment 2: Ch 3 & 4

3. Week 3 Inflation

- a) Chapter 5
- b) Achieve Assignment 3: Ch 5

4. Week 4 The Open Economy

- a) Chapter 6
- b) Achieve Assignment 4: Ch 6

5. Week 5 Midterm 1 & Labor Market and Growth

- a) Chapter 7 & 8
- b) Achieve Assignment (Optional): Review Ch 1 - 6

6. Week 6 Labor Market and Growth & Business Cycle and IS-LM Model

- a) Chapter 7 & 8, 10 & 11
- b) Achieve Assignment 5: Ch 7 & 8

7. Week 7 IS-LM Model

- a) Chapter 10 & 11, 11 & 12
- b) Achieve Assignment 6: 10 & 11

8. Week 8 IS-LM Model & Aggregate Supply, Short-Run Tradeoff

- a) Chapter 11 & 12, 14
- b) Achieve Assignment 7: Ch 11 & 12

9. Week 9 Aggregate Supply, Short-Run Tradeoff

- a) Chapter 14
- b) Achieve Assignment 8: Ch 14

10. Week 10 Final

- a) Final

- b) Achieve Assignment (Optional): Review Ch 7, 8, 10, 11, 12, 14