

# ECON 201 D: INTRODUCTION TO MACROECONOMICS

Spring 2023

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<b>Instructor:</b>	Resem Makan	<b>Time:</b>	Tue & Thu, 6:30pm – 8:20pm
<b>Email:</b>	<a href="mailto:resmakan@uw.edu">resmakan@uw.edu</a>	<b>Place:</b>	SMI 405

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## Course Page:

1. <https://canvas.uw.edu/courses/1633476>

**Office Hours:** Mon and Wed, 2-3pm. Location: Savery 319F.

**Main References:** This is the only textbook required for the course.

- Krugman and Wells, *Macroeconomics*, Worth Publishers, 6<sup>th</sup> edition, 2021.

**Objectives:** This course is designed for undergraduate students without any exposure to macroeconomics...

**Prerequisites:** Econ 200: Introduction to Microeconomics.

**Grading Policy:** Homework (20%), Article Response (15%), Midterm (30%), Final (35%).

## Important Dates:

Midterm ..... Apr 27<sup>th</sup>, 2023  
Final Exam ..... June 1<sup>st</sup>, 2023

## Course Policy:

- Please sign up for *Achieve*.
- Final grades will be curved as necessary to reach a median grade between 2.9 and 3.1. Usually 80-90% is a B+/- and 90-100% is an A+/-.

## Class Policy:

- Regular attendance is essential and expected.

## Make-up policy:

- I will require both the phone number and address of the doctor/clinic in order to verify the authenticity of the documentation you provide.

## Assignments:

- Weekly assignments are due every Monday at 11:59pm. They are to be done on Macmillan's *Achieve* portal.

**Article response:**

- You will be required to submit 3 article responses over the quarter. This is to help you use one of the models from class to analyse a news article of your choice. The accepted sources are *The New York Times*, *The Wall Street Journal*, and *The Financial Times*. Their due dates are April 14<sup>th</sup>, May 5<sup>th</sup>, and May 26<sup>th</sup> respectively. I will give more details as the weeks progress.

**Course Outline: |**

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 are trade. 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. 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
6. 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.
7. 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
8. 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.
9. Fiscal Policy: How can the government respond to recession? What does the government do with the taxes and spending it carries out? Chapter 13.
10. 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.
11. 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 16.
12. 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. Sometime we get to this, sometimes we don't.

**Accommodations for Students with Disabilities:**

- Your experience in this class is important to me. If you have already established accommodations with Disability Re- sources for Students (DRS), please talk to me at your earliest convenience so we can discuss your needs in this course.
- If you have not yet established services through DRS, but have a temporary health condition or permanent disability that requires accommodations (conditions include but not limited to; mental health, attention-related, learning, vision, hearing, physical or health impacts), you are welcome to contact DRS at 206-543-8924 or uwdrs@uw.edu. Or visit <http://depts.washington.edu/uwdrs/>.

- DRS offers resources and coordinates reasonable accommodations for students with disabilities and/or temporary health conditions. Reasonable accommodations are established through an interactive process between you, your instructor and DRS. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law.

**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/>).
- 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/>).

**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>
4. 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.

Week	Date	Outline
1	Mar 28 <sup>th</sup> & Mar 30 <sup>th</sup>	Chapter 1: First Principles Chapter 2: Tradeoffs and Trade Chapter 6: The Big Picture
2	Apr 4 <sup>th</sup>	Chapter 3: Supply and Demand
	Apr 6 <sup>th</sup>	Chapter 4: Price Controls and Quotas
3	Apr 11 <sup>th</sup>	Chapter 5: International Trade
	Apr 13 <sup>th</sup>	Chapter 7: GDP and CPI
4	Apr 18 <sup>th</sup>	Chapter 8: Unemployment and Inflation
	Apr 20 <sup>th</sup>	Chapter 9: Long-run Growth
5	Apr 25 <sup>th</sup>	Chapter 9 continued
	Apr 27 <sup>th</sup>	Chapter 10: Savings and Investment
6	May 2 <sup>nd</sup>	Chapter 10 continued
	May 4 <sup>th</sup>	<b>Midterm</b>
7	May 9 <sup>th</sup>	Chapter 11: Income and Expenditure
	May 11 <sup>th</sup>	Chapter 11 continued
8	May 16 <sup>th</sup>	Chapter 12: Aggregate Demand & Supply
	May 18 <sup>th</sup>	Chapter 13: Fiscal Policy
9	May 23 <sup>rd</sup>	Chapter 14: Money, Banking, & The Fed
	May 25 <sup>th</sup>	Chapter 14 continued
10	May 30 <sup>th</sup>	Chapter 15: Monetary Policy
	Jun 1 <sup>st</sup>	Chapter 16 (possibly)
11	Jun 8 <sup>th</sup>	<b>Finals</b>

Table 1: Weekly schedule