

# Intermediate Macroeconomics

Econ 301 C Spring 2020

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**Class meeting:** T TH 2:30-4:20 pm

**Office hours:** Mon 9:30-11:30 am

**Zoom link for class:** <https://washington.zoom.us/j/798423087>

**Zoom link for office hours:** <https://washington.zoom.us/j/464064254>

**Course Website:** <https://canvas.uw.edu/courses/1372175>

## 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 macroeconomic theory and also to use it as a framework for discussing the current state of the US and world economy and for analyzing recent economic policy issues.

## 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 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

“Macroeconomics”, by N. Gregory Mankiw, 10th edition. You can purchase a hard copy from UW bookstore or directly purchase the Sapling with e-text through online Sapling Learning. Please use the link from Canvas to connect to the course Sapling.

## Sapling Learning Registration

Please see the instruction PDF file (Sapling Setting Instruction) on Canvas.

## Course Outline

### Part I

Introductory material (Chapters 1, 2)

### Part II

Classical theory (Chapters 3–7)

How the economy works in the long run, when prices are flexible

### Part III

Growth theory (Chapters 8, 9)

The standard of living and its growth rate over the very long run

### Part IV

Business cycle theory (Chapters 10–14)

How the economy works in the short run, when prices are sticky

### *If time permitting*

Macroeconomic theory (Chapters 15–17) or Macroeconomic policy (Chapters 18–19)

Macroeconomic dynamics, models of consumer behavior, theories of firms’ investment decisions

Stabilization policy, government debt and deficits, financial crises

## Evaluation

**Homework:** There will be 10 weekly assignments. The questions will be assigned on Sapling.

**Quiz:** There will be 4 closed-book quizzes. The questions will be assigned and posted on Sapling.

**Exam:** There will be a cumulative closed-book final exam.

Quiz 1: April 14

Quiz 2: April 28  
 Quiz 3: May 12  
 Quiz 4: May 26  
 Final exam: June 9

**Grading:** 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 2.8-3.1 range. If the median grade for the course happens to be outside of 2.8-3.1 range on the preliminary grade scale, we will adjust the grade scale accordingly. The following weighting will be applied:

Homework .....35%  
 Quizzes.....45%  
 Final.....20%

## Course Schedule

This table gives you an overview of the dates we meet and the topics we plan to cover. It is a rough schedule, and I may announce occasional changes to it if we move through the materials at a different pace than planned. If there are changes, I'll announce them in class or on Canvas.

Week	Date	Lecture	Remark
1	March 30-April 5	Introduction Chapter 1: The Science of Macroeconomics Chapter 2: The Data of Macroeconomics	HW 1(Ch 1-2)
2	April 6-April 12	Chapter 3: National Income Chapter 4: The Monetary System	HW 2(Ch 3-4)
3	April 13-April 19	Quiz 1: Ch 1,2,3,4 Chapter 5: Inflation Chapter 6: The Open Economy	Quiz 1(Ch1-4) HW 3(Ch5)
4	April 20-April 26	Chapter 6: The Open Economy Chapter 7: Unemployment and the Labor Market	HW 4(Ch 6-7)
5	April 27-May 3	Quiz 2: Ch 5,6,7 Chapter 8: Economic Growth I Chapter 9: Economic Growth II	Quiz 2(Ch5-7) HW 5(Ch 8)
6	May 4-May 10	Chapter 9: Economic Growth II Chapter 10: Introduction to Economic Fluctuations	HW 6(Ch 9-10)
7	May 11-May 17	Quiz 3: Ch 8,9,10 Chapter 11: Aggregate Demand I	Quiz 3(Ch 8-10) HW 7(Ch 11)
8	May 18-May 24	Chapter 11: Aggregate Demand I Chapter 12: Aggregate Demand II	HW 8(Ch 12)
9	May 25-May 31	Quiz 4: Ch 11,12 Chapter 13: The Open Economy Revisited	Quiz 4(Ch11-12) HW 9(Ch 13)
10	June 1-June 7	Chapter 14: Aggregate Supply and the Short-Run Tradeoff between Inflation and Unemployment	HW 10(Ch 14)

## Course Requirements

**Attending lecture:** I recommend that you attend lectures. Students who regularly miss lectures regularly do poorly on exams, and exams make up most of your grade. If you do miss class, you're responsible for the material you miss and you should get notes from a fellow student.

**Lecture notes:** Lecture notes will be posted on the course website regularly.

**Reading the textbook:** Students typically retain less than half of material presented in lectures, so you should reinforce lecture material by reading the textbook. Read ahead of the lecture if you can. View the textbook reading as essential exam preparation.

**Homework:** The lowest one will be dropped, and there is no make-up for homework. There are 2 attempts for each HW with 5% penalty for each attempt.

**Quiz:** Each in-class quiz is 50 minutes. There is only one attempt and no make-up quiz. Students must open video to show their face and hands during quizzes.

**Final exam:** Final exam is 1 hour and 50 minutes. Students must open video to show their face and hands during exam.

**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.

## Available Resources

The CLUE evening study sessions provide extra educational support for students. The CLUE schedule online is at: <http://depts.washington.edu/clue/index.php>

## Academic Integrity

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. Behavior that constitutes academic misconduct includes but is not limited to cheating on exams or quizzes (copying answers from others, using unauthorized materials, a student not taking their own quiz/exam, etc.), copying homework answers, plagiarism. You may read more at <http://www.washington.edu/cssc/facultystaff/academic-misconduct/>