

Intermediate Macroeconomics

Econ 301 D Spring 2019

MW 8:30-10:20 am

MOR 221

Instructor: Chujian Shao

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Office hour: Monday 10:30-11:30 am and Tuesday 10-11 am, Savery Hall 319B

Course Website: <https://canvas.uw.edu/courses/1272950>

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 Olivier Blanchard (Pearson, 6th edition); you can purchase a hard copy from UW bookstore or download a free e-book online.

Course Outline

Introduction

Ch 1 and 2

The Short Run

The goods market (Ch 3)

Financial markets (Ch 4)

Goods and financial markets: the IS-LM model (Ch 5)

The Medium Run

The labor market (Ch 6)

Putting all markets together: the AS-AD model (Ch 7)

The Phillips curve (Ch 8)

The crisis (Ch 9)

The Long Run

The facts of growth (Ch 10)

Saving, capital accumulation and output (Ch 11)

Technological progress and growth (Ch 12)

Technological progress: the short, the medium, and the long run (Ch 13)

(If time permitting, I will add some materials of The Open Economy)

Evaluation

Homework: There will be 4 assignments during the quarter (the questions will be assigned and posted online one week ahead.

Exam: There will be 2 non-cumulative exams. All books, papers, notebooks, etc., must be placed inside your backpack or other type of bag, which must be securely and fully closed.

Midterm exam: May 8, Wednesday, 8:30-10:20 am, MOR 221

Final exam : June 11, Tuesday, 8:30-10:20 am, MOR 221

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	24%
Midterm exam	36%
Final Exam	40%

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 material at a different pace than planned. If there are changes, I'll announce them in class or on Canvas.

Week	Date	Lecture	Remark
1	April 1-April 7	Introduction Chapter 1: Tour of the World Chapter 2: Tour of the Book	
2	April 8-April 14	Chapter 3: The Goods Market Chapter 4: Financial Market	
3	April 15-April 21	Chapter 4: Financial Market Chapter 5: Goods and Financial Markets	HW 1 due on April 17
4	April 22-April 28	Chapter 5: Goods and Financial Markets Chapter 6: The Labor Market	
5	April 29-May 5	Chapter 6: The Labor Market Chapter 7: Put All Things Together	HW 2 due on May 1
6	May 6-May 12	Chapter 7: Put All Things Together Chapter 8: The Phillis Curve Midterm review	Midterm on May 8
7	May 13-May 19	Chapter 8: The Phillis Curve Chapter 9: The Crisis	
8	May 20-May 26	Chapter 10: The Fact of Growth Chapter 11: Saving, Capital Accumulation and Output	HW 3 due on May 22
9	May 27-June 2	Chapter 11: Saving, Capital Accumulation and Output Chapter 12: Technological Progress and Growth	No Class on May 27
10	June 3-June 9	Chapter 12: Technological Progress and Growth Chapter 13: Technological Progress Final review	HW 4 due on June 5

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: Only hard copy is acceptable. Completed assignments must be turned in at the beginning of the section. Late submission will receive zero grade.

Make-up exam: We will require both the phone number and address of the doctor/clinic in order to verify the authenticity of the documentation you provide. For the Midterms, we will write a make-up again with documentation from a clinic or a doctor. There is no make up for the Final Exam. If you miss the Final Exam you will earn an *incomplete* grade for this course.

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 Economics Undergraduate Union provides drop-in tutors at Savery 328. For more information, see <http://depts.washington.edu/ecnboard/eub-tutoring/>

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/>