

Kyongjun Kwak

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Our course website is at:

<https://canvas.uw.edu/courses/1449019>

(Please check Canvas regularly. The syllabus is subject to change due to unforeseen circumstances.)

Overall Description of the Course

Economists in general agree with the following proposition: economics is not a field of study of something particular. Rather, it is a set of tools and concepts that can be applied to understand a great number of phenomena in the economic and social sphere. We use the tools of the science of economics to study why things are and how they change when a relevant factor or force — that shapes the phenomenon under study—changes. As you read the assigned textbook for this course and attend the lectures, you will find the application of a set of thinking tools to a great number of interesting and important issues. Many of these issues—part of the “conventional wisdom” believed by many—are re-examined from an in-depth and insightful perspective. As the meaning and purpose of higher education goes, this should be truly a higher education experience!

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 microeconomic terminology
- Explain how the highest-valued alternative foregone is the opportunity cost of what is chosen
- Explain how individuals and firms make themselves as well off as possible in a world of scarcity
- Analyze how prices inform the decisions about which goods and services to produce, how to produce them, and who gets them
- Analyze how government policies and different institutional arrangements affect the allocation of resources in an economy
- Understand how market structure influences the allocation of resources

2. Application

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

Course Guide

Learning the economic way of thinking is a demanding undertaking. This discipline requires at least 3 sets of skills from students. You need to:

- i) learn new concepts, vocabulary and essentially the language of economics,
- ii) learn to use abstract tools to model human economic behavior, and
- iii) learn to apply those tools to understand the likely consequences of various forces (government policies as well as other economic, social and nature events).

As such, applying the tools of economic analysis and ultimately learning the economic way of thinking requires a lot of practice. It is a good idea to form an *on-line* study group (3-4 members) among peers to discuss the material of the course and/or do homework problems together using *on-line* communication methods. Please do not address the problems in your head only. Rather, use the concepts you learn plus the reasoning process to write out the solutions in full. The analysis is graphical but it also uses a basic level of calculus and arithmetic. You should also write out some explanations about your graphical and mathematical solutions.

It is important to check the course website regularly. Please note that all the material that is additional to your textbook readings, as well as homework and answer keys for homework will be posted on the course website. The slides for each lecture session will be also posted on the course website (i.e. Canvas) and it is your responsibility to look them up.

To give you an idea about how much time resources you will need, for every hour of lecture, you should plan on spending at least two and a half hours of *effective* studying/problem solving with your peer group or by yourself. This implies that you will need at least about 12.5 hours of effective studying outside of class per week to understand and master the approach and be able to adequately address issues in principles of microeconomics. Ideally, you want to spend at least 70% of your study time doing the practice problems including homework carefully and writing solutions in full. The remaining 30% or so of your time can be allocated to reading and reviewing the concepts. Students should read the text prior to attending each lecture. For a quick guide on how to succeed in the course please refer to the heading “How to Study Effectively” in this syllabus.

Below you will find information on the various ways your learning will be evaluated. For exams problems will consist of both multiple choice and short answer problems, similar to the end of chapter problems in the text. You will be asked to analyze the effect of a change in a price, changes in other market forces, the imposition of government tax or subsidy, etc., using both graphs and analytical explanations in written form. As mentioned, we will also use a minimal amount of algebra and some arithmetic. Your grade from an exam depends on the *quality* of your answer. That is, your grade will be determined based on your use of an appropriate conceptual framework and the precision of your logical explanation and conclusions.

If circumstances beyond your choice and control materialize (such as a sudden illness, an accident, etc.) that derail you from studying or taking a test on time, you have the responsibility of informing me as soon as possible. I will then try to help you to the best of my ability. Please read the section on make-up exams on this syllabus. **There is NO making up missed homework, article response, and exam 2 (final).**

Textbook

Our textbook is **Macroeconomics (6th ed.)** by **Paul Krugman and Robin Wells** (published by Macmillan learning). If you already have the previous edition (5th ed.), it is fine to use the book instead.

Evaluating student learning

- **Homework (20%):** There will be a set of questions titled “Homework.” These will be assigned every two weeks and will be posted on the course website (**Canvas**). 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 **20%** of your course grade. **One lowest homework score is going to be automatically dropped for GPA.** For example, if you have **5** homework during the quarter, then only **4** homework scores will be counted; each homework is worth **5%**. I will grade the homework based on your effort. The answer key for homework will be posted on the course website after due date.
- **Exams (70%):** There will be **two** exams, **exam 1 (midterm) and exam 2 (final)**. All tests will be conducted **on-line** this quarter unless there is other instruction by the department. You will need a calculator for some of the questions on your tests. Please bring a simple 4-function or a scientific calculator to all your exams. Graphing calculators are not allowed in any of the exams in this course. Your Exams are **collectively** worth **70%** of your grade: **exam 1 (35%), exam 2 (35%)**. For exams, problems will consist of **both multiple choice and short answer** problems. We will also use a minimal amount of algebra and some arithmetic. Your grade from an exam depends on the quality of your answer. That is, your grade will be determined based on your use of an appropriate conceptual framework and the precision of your logical explanation and conclusions.
- **Article Responses (10%):** 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. I will not accept articles from aggregators (Google, Yahoo, AP feeds), nor from blogs or opinion pieces, even if they are hosted on news sites. 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 on due date. Late submissions may cause deduction of your points. 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.

Scheduled Readings, the in-class exam dates

Week	Learning subjects or Plans	Readings
		Krugman and Wells (6e)
Week 1 (3/30, 4/1)	<ul style="list-style-type: none"> • Introduction • Production Possibility Frontier (PPF) • Supply and Demand 	Ch.1 Ch.2 Ch.3 (1)
Week 2 (4/6,8)	<ul style="list-style-type: none"> • Supply and Demand • Big Picture of Macro • Gross Domestic Product (GDP) 	Ch.3 (2) Ch.6 Ch.7
Week 3 (4/13,15)	<ul style="list-style-type: none"> • Inflation and Unemployment • Growth 	Ch.8 Ch.9
Week 4 (4/20,22)	<ul style="list-style-type: none"> • Savings, Loanable Fund Market • Consumption <p>* Article Response 1 (due Apr 25, Sun)</p>	Ch.10 Ch.11 (1)
Week 5 (4/27,29)	<ul style="list-style-type: none"> • Investment, Income-Expenditure Model • Summary and Review 	Ch.11 (2)
Week 6 (5/4,6)	<p>* Exam 1 (Midterm) (May 4, Tue)</p> <ul style="list-style-type: none"> • AD-AS Model 	Ch.12 (1)
Week 7 (5/11,13)	<ul style="list-style-type: none"> • AD-AS Model • Fiscal Policy 	Ch.12 (2) Ch.13
Week 8 (5/18,20)	<ul style="list-style-type: none"> • Money, Banking, and the Federal Reserve System • Liquidity Preference Model 	Ch.14
Week 9 (5/25,27)	<ul style="list-style-type: none"> • Monetary Policy • Phillips Curve <p>* Article Response 2 (due May 30, Sun)</p>	Ch.15 Ch.16 (1)
Week 10 (6/1,3)	<ul style="list-style-type: none"> • Phillips Curve • Introduction to International Macroeconomics (<i>tentative</i>) • Summary and Review 	Ch.16 (2) (Ch.18)
Finals Week (6/10)	<p>* Exam 2 (Final) (Jun 10, Thu)</p>	-

Note: The schedule would be modified as needed.

Grading and the grade scale

The grades in this class are ***not*** curved. Rather, there will be a grade scale on the basis of which I determine course grades. According to the grading policy of the Department of Economics, I will maintain a median grade for this course in the **2.9-3.1** range. 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. Please note that the **rank within the section** (not between the section) is important when you expect your final grade.

Make-up Exams

I 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 exam 1 (midterm), I will write a make-up again with documentation from a clinic or a doctor. There is ***no*** make up for exam 2 (final). If you miss exam 2 due to an unexpected event or an accident, you will have to notify me as soon as possible. If you provide verifiable documentation, you may earn an incomplete grade in the course. Otherwise, your grade for the exam will be **zero** and I will calculate your course grade based on the zero grade you have earned.

How to study effectively

- a. Read the relevant parts of chapter(s) carefully ***before*** each lecture. Try to get a good idea of both the questions asked and the approach (the concept and the reasoning process) to addressing the questions in the textbook.
- b. Take notes during class. The slides will be posted online.
- c. After the lecture, attempt the problems and make sure you fully write down the answer to each question using the relevant concepts you have learned. In order to successfully answer a question, ask yourself the following:
 - i) what does the question want me to do?
 - ii) What relevant information does the question provide?
 - iii) How do I go from the given information to the answer? You want to use the concepts and tools for thinking—that you have learned—to answer the question.

Note 1: The best way to receive a good grade in this course is for you to cultivate a desire for learning the material, and, also do the problems for each chapter/week regularly. The less effective way of getting a good grade is to make your primary incentive for studying the material earning a good grade. Students who desire to learn and do the problems and exercises thoughtfully, will generally also receive good grades. Those who just learn enough to get a good grade may commit short cuts just to earn a grade and their grades usually do not live up to their expectations. These students may finish the quarter disappointed with their grades.

Note 2: There will be ***no*** extra papers, assignments, or other ways for you to increase your grade anytime during or after the quarter. In case you aim for a certain grade, in order to prevent the chance of a disappointingly low grade, you should aim about a 0.4 grade higher than the minimum grade you desire. For example, if you want to make sure you receive a 3.0 in this class please aim for at least a 3.4. I have ***no*** policy of assigning extra work in order to increase a grade you are not happy with once you commit yourself to attending and completing this course.

Note 3: I will not weigh any of your tests in a different manner from the general rule. Please do not ask me to possibly weigh some of your tests more or less.

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.

Access and Accommodations

Your experience in this class is important to me. It is the policy and practice of the University of Washington to create inclusive and accessible learning environments consistent with federal and state law. If you have already established accommodations with Disability Resources for Students (DRS), please activate your accommodations via myDRS so we can discuss how they will be implemented 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), contact DRS directly to set up an Access Plan. DRS facilitates the interactive process that establishes reasonable accommodations. Contact DRS at disability.uw.edu.

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/>).

Notice to Students - Use of Plagiarism Detection Software

The University has a license agreement with SimCheck, an educational tool that helps prevent or identify plagiarism from Internet resources. Your instructor may use the service in this class by requiring that assignments are submitted electronically to be checked by SimCheck. The SimCheck Report will indicate the amount of original text in your work and whether all material that you quoted, paraphrased, summarized, or used from another source is appropriately referenced.