Introduction to Macroeconomics
Economics 201C
Fall, 2014
Course Syllabus

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Final: Dec. 8 in class

Econ 201C will be your first course in macroeconomics. The course is focused on elements of the aggregate economy, their interaction, and how to develop a coherent understanding of economic policies. The overarching purpose of this course is to train students into thinkers who can evaluate critically and give well-rounded answers to real world economic problems. The course website can be reached at UW Canvas:

https://canvas.uw.edu/courses/926910

REQUIRED TEXT:
Charles Nelson, Macroeconomics: An Introduction. A free online copy and updates can be reached at: http://128.95.71.52/user/cnelson/macroeconomics.html.

Online practice questions can be found at: http://128.95.71.52/econquiz/clssel.asp.

RECOMMENDED READING:

I will keep track of news articles throughout the quarter. Selected articles relevant to the course may be discussed in lectures from time to time. It is your responsibility to read some of them after class. If necessary, articles will be distributed in class.

To gain access to the full contents of WSJ, a 10 week student subscription is optional and can be reached at: http://subscribe.wsi.com/quarter.

BEDTIME READING:
COURSE POLICIES:

Economics is not a discipline that can be mastered overnight before an exam. As a professional student, reading textbooks and working on questions as they pop up to your inquisitive mind are an indispensable part of the learning process. The purpose of practice is to provide you with self-check and help develop your own way of thinking through the application of relevant concepts.

1. It is strongly exhorted that you attend each lecture. Reading assignments will be made on a regular basis. Our discussion in class will be most productive if relevant materials are previewed and notes reviewed before class—in a nutshell, be well prepared. You are more than welcome to participate in and contribute to class discussion. Feel free to show off your thoughts in class.

2. The class is curved. The Department has adopted a set of grading guidelines for ECON 201. An average class will receive a median of 2.9.

3. Exams, quizzes, and take-home write-ups

   All exams are held in class.
   Midterm exam: 50 min, 30%
   Final exam: 50 min, 30%
   Quiz: 20 min, 30%
   Homework: 10% (submit on time.)

   A. There will be a total of 5 quizzes, and only the best 4 quiz scores are counted toward your final grades. If you have to miss one quiz, that one automatically becomes dropped. Quizzes are in the form of multiple-choice/true-or-false questions and are skipped during midterm’s and final’s weeks. Make-up quizzes are not available unless the student has a verifiable emergency.

   B. Exams will be worth 50 points each. If a student improves his/her score on the final by more than 15 points above what he/she scored on the midterm, I will change the weights to midterm 20% and final 40%.

   C. The final exam is held on Dec. 8. Make-up exams will not be given unless the student has a verifiable emergency. Always confer with me in advance and we shall arrange an equivalent test before your classmates take it. Exceptions may only be granted for serious cases clearly beyond a student’s control, i.e., injuries, illnesses, etc.

   D. Homework assignments take the form of free-response essay-type questions—e.g., a summary of an article or how you can explain it. To keep people going at a regular pace, I am thinking of assigning short homework on a weekly basis instead of giving you long ones sporadically. They are due in class on Monday of
the following week. I highly recommend font 11 or 12, single-spaced layout—just to save trees.

4. You can form study groups of 2-3 people. Homework assignments should be paper-clipped or stapled together and submitted in groups with group members’ names signed at the top. If you are working alone, that’s fine.

5. It is supportive for me to have your cell phones turned off or muted during the lecture.

6. Office hours are yours. So please come and discuss any parts of the course with me.

7. Review sessions before exams will be held in class on demand. To get the most out of it, bring in your questions.

8. There are no separate quiz sections for this class. I will review hard materials and highlight the right way to solve problems in class.

9. Last but not least, please check your email inbox and the course website frequently for latest updates, guidelines, and attachments.

10. There is no official policy of extra credit for class participation or attendance but I reserve the right to up the grade of an active and conscientious student, say, from 3.1 to 3.3.

In all respects, students are expected to adhere to the code of conduct of the University and the Economics Department such as academic integrity, attendance, giving credit to cited sources in any work you submit, and so forth. Academic dishonesty will result in a failure of the course and other sanctions that may be authorized by the University. Thanks to the self-police of the student body, the majority of them live up to this respectable tradition.

COURSE OBJECTIVES:

This course is a sequel of Econ 200 and serves as an introduction to the economic way of thinking and analyzing the problems of economic growth, business fluctuations, unemployment, inflation, and policy tools such as monetary policy and fiscal policy. The goal of the course is not to immerse people in the technical details; rather, it is to enable students to grasp the information in economics and business publications from a trained perspective. Frequently, students are also enriched in various other ways depending on their motivations. Always remember: interest is the best mentor.

With a refined academic capacity and enlarged vocabulary, you will be able to improve vastly your understanding of economic analyses. By the end of the course you should have developed the knowledge of major economic institutions, the functioning of markets, and the challenges faced by policy makers to influence the rate of unemployment, inflation, and economic growth.
There will be just a few definitions and concepts to memorize. The vast majority of the course deals with interactions of various components of the macro-economy and thus requires you to think through relationships. The opportunity to have open discourse, to debate, to disagree is crucial to your critical thinking.

We will be using some simple arithmetic and graphing techniques to facilitate the understanding of the course material. This being said, you should not take it mechanically as the emphasis is on how to explain economic analysis in words and in a manner understandable to someone who has not taken an economics course.

**TENTATIVE COURSE OUTLINE:**

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<thead>
<tr>
<th>Week</th>
<th>Text</th>
<th>Topics</th>
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<tbody>
<tr>
<td>1</td>
<td>Nelson, Chapter 1 (including the supplement to Chapter 1)</td>
<td>Overview of economics; review of micro; intro to macroeconomics, economic policy, and the course.</td>
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<tr>
<td>2</td>
<td>Nelson, Chapter 2</td>
<td>National income accounting and the; intro to investment and savings</td>
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<td>Mon., October 6 – quiz 1</td>
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<td>3</td>
<td>Nelson, Chapter 3 and 4</td>
<td>Investment and savings; inflation, real and nominal income</td>
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<td>4</td>
<td>Nelson, Chapter 4 and 5</td>
<td>Real and nominal interest rate; the Fisher hypothesis; intro to business fluctuations</td>
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<td>Wed., October 15 – quiz 2</td>
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<td>5</td>
<td>Nelson, Chapter 5 and 6</td>
<td>Long-run growth and short-run fluctuations; money and banking</td>
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<td>Wed., October 22 – quiz 3</td>
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<td>6</td>
<td>Nelson, Chapter 6 and 7</td>
<td>More on money and banking; intro to money demand</td>
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<td>Wed., October 29 – midterm exam</td>
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<td>7</td>
<td>Nelson, Chapter 7 and 8</td>
<td>Determinants of money demand; aggregate supply and demand</td>
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Mon., November 10 – quiz 4
November 11 – holiday
Week 8 Nelson, Chapter 8 Inflation, unemployment, and interest rate

Mon., November 17 – quiz 5
Week 9 Nelson, Chapter 9 Monetary policy and intro to fiscal policy
Week 10 Nelson, Chapter 11 Equilibrium in the Keynesian model and fiscal policy Government spending and multipliers; more on fiscal policy;

November 27-28 – holiday
Week 11 Nelson, Chapter 12 Intro to international macroeconomics

Wed., December 3 – quiz 6 and review

Mon., December 8 – final exam

One last thought: To see how professors should love their students but not indulge them and what mental pressure professors bear, you may want to read “A Tough-Love Manifesto for Professors” by Thomas Benton. Just Google it.

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Practice makes perfect and good luck with your Econ 201C!