Econ201C Introduction to Macroeconomics
Dept. of Economics, University of Washington
Autumn quarter, 2012
Daily 12:30~1:20
CDH 110A

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Office: ART 343
Office Hours: Wednesday & Thursday 1:30~2:30 or by appointment
Course Website: https://catalyst.uw.edu/workspace/leedw/32224

Course Overview
This is an introductory course in Macroeconomics. A primary objective of this course is to enable you to better understand and, sometimes, critically evaluate news articles regarding macroeconomic policies and their impact on households, firms, and markets by applying the standard macroeconomic models.

Developing basic models of macroeconomics, we will discuss about the determinants of long-run economic growth, unemployment and inflation. We will also analyze the effects of government spending and taxation, the role of the Central Bank, the determinants and effects of cross-border capital flows, and the effects of U.S. trade deficits amongst others.
Prerequisite: Econ200

Student Learning Goals
Upon completing this course, students should be able to:
1) Understand how GDP, inflation, and unemployment are measured and what are the problems associated with the standard measurement
2) Discuss how fiscal policy affects saving, investment, and long-run economic growth
3) Explain how monetary policy influences the price level in the long run
4) Use a supply-and-demand approach to explain the functioning of an open market economy
5) Evaluate how monetary and fiscal policy tools can affect macroeconomic variables in the short run

Textbook, Lecture Notes and Related Reading Materials
Our textbook is Principles of Macroeconomics (5th edition) by N. Gregory Mankiw (published by SOUTH-WESTERN CENGAGE Learning). Lecture notes will be uploaded on the course website and you are responsible for printing out and bring them to class. Problem
sets (optional)/exams and their answer keys will be made available online as well. I expect you to read the relevant chapter(s) before attending lectures, so you can learn effectively and participate helpfully in class discussions. Furthermore, in order to understand how theoretical models introduced in class are related with the real-life macroeconomic events, I suggest you read the news articles in The Wall Street Journal (http://online.wsj.com/public/us), The Economist (http://www.economist.com), The Financial Times (http://www.ft.com) and the like. We will have a chance to discuss some interesting articles in class.

**Problem Sets**
Simply reading the textbook and lecture notes is not sufficient to succeed in this course. You need to constantly work on solving problems that make use of economic models. Problem sets are intended to help you learn the materials covered in class and prepare for quizzes and exams. Although they will not be graded, it is your responsibility to make sure that you understand the solutions that will be made available online. If you have any questions or need further explanations, I will be very happy to see you in my office (See office hours on pg.1).

**Quizzes**
There will be 6 quizzes. The quizzes are mainly used to keep you abreast of the material and represent a small sample of the possible exam questions. Notice that your lowest individual quiz score will be automatically dropped at the end of the quarter and the rest will be counted towards your grade.

**Exams**
There will be two exams. Each exam consists of a number of multiple choice questions and a few short answer problems that may involve numerical, graphical and verbal explanation. The content of the exams will be drawn from the lecture notes, quizzes, problem sets, and other reading assignments. Note that any material given to you during the class is required reading and could show up on the quizzes/exams. You will need a simple 4 function calculator for quizzes/exams. Graphing calculators, cell phones, i-pods, etc. can never replace your simple calculator for any reason.

**Grading Policy**
In computing your final course grade, the following weights will be used:

- Exam #1: 35%
- Exam #2: 35%
- Quizzes: 30% (6% each)
The class median grade will be no higher than 3.1 in accordance with the grading policy of the department. Participation in class discussion is crucial. Thus, I will reward a few most enthusiastic class participants in the form of a marginal increase of 0.1 or 0.2 in their final course grade.

**Attendance and Makeup Policies**
I recommend you to attend class in the strongest possible terms. Lecture notes cannot be a substitute for class attendance. Students who skip classes on a regular basis experience an extreme difficulty to keep up with the class as the material covered in this course becomes more complex overtime.

Makeup or early exams will be given only under extraordinary and documentable circumstances (e.g. hospitalization, death in immediate family, military service). Failure to provide appropriate documentation (e.g., a medical certificate) will result in a failing grade on the examination.

**Needs and Services**
If you anticipate needing any type of accommodations in order to participate in this class, please inform me in full confidence of privacy and make the appropriate arrangements with the Disability Services Office (DSO).

**Tentative Course Schedule**

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<tr>
<th>Dates</th>
<th>Class Schedule</th>
<th>Test</th>
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<tbody>
<tr>
<td>Week 1: Sept 24th ~ 28th</td>
<td>Ch.4, Ch.10</td>
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<td>Week 2: Oct 1st ~ 5th</td>
<td>Ch.10, Ch.11</td>
<td>Quiz #1 (Oct 5th)</td>
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<td>Week 3: Oct 8th ~ 12th</td>
<td>Ch.12</td>
<td>Quiz #2 (Oct 12th)</td>
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<td>Week 4: Oct 15th ~ 19th</td>
<td>Ch.13</td>
<td>Quiz #3 (Oct 19th)</td>
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<td>Week 5: Oct 22nd ~ 26th</td>
<td>Ch.15, Review</td>
<td>Exam #1 (Oct 26th)</td>
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<td>Week 6: Oct 29th ~ Nov 2nd</td>
<td>Ch.16, Ch.17</td>
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<td>Week 7: Nov 5th ~ 9th</td>
<td>Ch.17, Ch.18</td>
<td>Quiz #4 (Nov 9th)</td>
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<td>Week 8: Nov 13th ~ 16th</td>
<td>Ch.18, Ch.19</td>
<td>Quiz #5 (Nov 16th)</td>
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<td>Week 9: Nov 19th ~ 21st</td>
<td>Ch.19</td>
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<td>Week 10: Nov 26th ~ 30th</td>
<td>Ch.20</td>
<td>Quiz #6 (Nov 30th)</td>
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<td>Week 11: Dec 3rd ~ 7th</td>
<td>Ch.21, Review</td>
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<td>Week 12: <strong>Dec 13th, Thursday, 8:30~10:20</strong></td>
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<td>Exam #2 (Dec 13th)</td>
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Lecture Topics

I. Review of Supply and Demand
   Ch.4 The Market Forces of Supply and Demand

II. The Data of Macroeconomics
   Ch.10 Measuring a Nation’s Income
   Ch.11 Measuring the Cost of Living

III. The Real Economy in the Long Run
   Ch.12 Production and Growth
   Ch.13 Saving, Investment, and the Financial System
   Ch.15 Unemployment

IV. Money and Prices in the Long Run
   Ch.16 The Monetary System
   Ch.17 Money Growth and Inflation

V. The Macroeconomics of Open Economies
   Ch.18 Open-Economy Macroeconomics: Basic Concepts
   Ch.19 A Macroeconomics Theory of the Open Economy

VI. Short-Run Economic Fluctuations
   Ch.20 Aggregate Demand and Aggregate Supply
   Ch.21 The Influence of Monetary and Fiscal Policy on Aggregate Demand