

Honors Introduction to Macroeconomics 220:103:H1

This Course meets twice a week on Zoom

Attendance, Participation, and adequate connectivity required

This section is open only to students in one of the New Brunswick Honors Programs

Preliminary 12/23/2020 – subject to revision

**REQUIRED Zoom classes MW 1:10-2:30pm NJ time. ATTENDANCE is required.
If you will not be able to make these times, please switch to a different section**

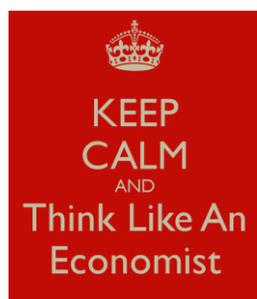
To take this course you *MUST*:

- Have high-speed access to the Internet.
- Have a sense of humor (laugh at my jokes)
- Make regular use of Sakai (Rutgers' online course management system)
- Carefully read the **required textbook** weekly (free, online, downloadable as pdf or kindle or for \$7.00 ibook)
- Purchase a semester subscription to the **iClicker Reef cloud clicker system** (\$16) – more info before semester begins.
- Sign up for your **Rutgers Zoom account – required** – info before semester begins.
- **Regularly attend the online class meetings in Zoom**, - unexcused absences may substantially lower your grade or result in an F for the course.
- **Participate** in class thru clickers, clapping (an icon in Zoom), online chat rooms, and the weekly Q&A sessions in Zoom.
- Having your video on is strongly encouraged and rewarded. I'll have mine on.
- **Complete** graded weekly, on-line **assignments** and multiple choice hw quizzes which, along with reading, will take 4-6 hours per week.
- Use my Quizlet **flash cards**
- **LOOK UP REQUIRED MATERIAL NOT CONTAINED IN THE TEXTBOOK.**
- Regularly skim/read the free, online **WALL STREET JOURNAL** - Ignore any political op/eds.
- Enjoy this class and make it your most favorite class, ever.

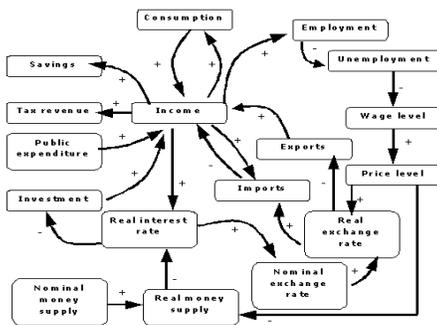
You must *NOT*

- **join the Zoom class session late or leave early** or do things other than macro during the zoom meeting

If any of these are difficult for you, it will be necessary to take the course with a different instructor



Could the 2020 recession become a **depression**? (**business cycles**) Why does it matter (**macroeconomic theory and policy**)? How is **fiscal policy** being used to cushion the blow? And what's the Fed been doing, and what are they likely to do next? (**monetary policy**) And what is the Fed? Is long-run U.S. **Economic Growth** going to slow? And how will this affect you? What's going on in Europe? And how does it matter to us (**international economics**)? What are **tariffs**? How do they affect the U.S. economy? And what does **China** have to do with the U.S. economy? How have tax cuts affected the economy (**supply-side economics, trickle-down policy, long-run growth**)? What's Brexit (**international macroeconomics**)? How will this affect you? Was the **great recession** (2007-09) avoidable? What's **GDP** and why is it "gross"? What causes **unemployment** in normal times and what policies can reduce it (want a job?). And how low can it go? Is **inflation** on the horizon, and what harm does it cause (**Philips curve**)? And how about **deflation**? How do **interest rates** matter? How fast will our economy and our wealth **grow**? What is **money** and what role does it have in the economy? Why do **banks** matter? What does China's **exchange rate** have to do with anything? What's bad about **government deficits** and the national **debt**? The **trade deficit**? How does **international trade** impact our economy? What are the roles of the **stock market** and the **financial system** and how can you make (and lose) a fortune in investing (**personal investing**)?



Macroeconomics deals with the determinants of a **nation's aggregate (total) output and income**, the determinants of the average **level of prices and their rate of change** (inflation/deflation), and the determinants of **growth** in an economy. While an **Introductory Microeconomics** course is **highly recommended**, it is not required if one is prepared to quickly catch-up (but *if you have a choice, take Micro first*). Above all, this is intended to be an **interesting, important, useful, and demanding** course dealing with issues you will certainly face in your **private, public, and professional lives** and which will provide you with **useful and usable skills and insights** (but no **cookies**).

This **honors section** will differ in a number of important ways from traditional courses. It will be a smaller class allowing for more learning by doing (active education), more interaction, and more attention to each student's needs. Students will be **required to ask, and answer, questions in class** (and to try to stump me). And there will be periodic/occasional individual and/or team **class presentations**. While the coverage will be similar, there will be more supplementary material in this section, including web-based readings, data-based and analytical exercises, and more use of statistical/econometric modeling. Students will be expected to develop a broader and deeper grasp of the material. Each student will be required to **see me at least once in Zoom office hours**. The final will have written components as well as multiple choice, and there will be considerable feedback, insuring that students learn from their errors rather than repeating them. ~~Also, cookies will be served weekly.~~ (sigh, will have to wait until we are back in person).

Instructional Goals: Consistent with the *Learning Goals of the Economics Department*, students will develop and demonstrate economic literacy, numeracy, citizenship and scholarship in the area of introductory macroeconomics. Specifically, students who satisfactorily complete Introduction to Macroeconomics will understand and be able to articulate the core principles, concepts and theories of modern macroeconomics (the basic aggregate demand and supply model, the multiplier, the Keynesian, Classical and Monetarist models, the open-economy macro model, neo-classical and new growth theory, etc). Students will begin to develop the ability to interpret and analyze economic data such as aggregate output, inflation, unemployment and growth rates. Through lectures, discussions, assignments and readings students will become familiar with the theoretical framework of macroeconomics and learn to apply it to the analysis of macroeconomic policy issues. Students will also get smarter and more interesting.

ONLINE ZOOM REQUIRED CLASS MEETING TIMES, OFFICE HOURS, SAKAI, WEB ACCESS, EMAIL

The class meets MW 2:50-4:10PM (NJ Time) on ZOOM--**ATTENDANCE IS REQUIRED, Video is urged.**

My Economics Department web page is: <http://econweb.rutgers.edu/sheflin/> - it has a lot of links, some of which you will hopefully find useful. However, virtually all of the course material will ONLY be available through **Sakai** <http://sakai.rutgers.edu> . You are responsible for checking announcements, grades, and the chat rooms frequently.

My **office hours** will be announced later and will be online through ZOOM. Note that office hours are to discuss personal issues, the meaning of life, and jazz. Class questions should be asked in class or posted on the chat rooms first.

EMAIL (NO!) Any and all course related questions should be posted on the appropriate CHAT ROOM in Sakai. Email is **ONLY** for very personal issues (health, family problems, etc.) and I will generally not respond to email that can and should be posted on the chat room. My email is sheflin@rutgers.edu . If you do email, make sure to indicate you are in MACRO 01 and please email from a Rutgers email address.

HOW THE COURSE WILL WORK

- **Before** each week's **Monday class**, you will complete the **ASSIGNMENT** due the **next** week posted under **RESOURCES** in Sakai, and generally available by Thursday of the week **before** it is due (i.e. assignment 2, due by Monday of week 2, will be posted by Thursday of week 1).
- You will do the textbook and supplementary readings, problems, and an **online graded multiple choice homework quiz (in WEEKLY HW QUIZZES)** and other assigned items contained in the **assignment BEFORE** the Monday class. Note that the **Supplementary readings** are important, the reading may differ from that shown on the syllabus, and it is **UP TO YOU TO LOOK FOR ANSWERS TO QUESTIONS** and problems, even if they are not in the textbook (hint: **google, Wikipedia, etc**).
- It is also **ESSENTIAL** to **POST QUESTIONS** on the chat rooms and/or ask in class – do not stay uninformed.

- You will be at least **SKIMMING THE FREE, ONLINE WALL STREET JOURNAL DAILY**, focusing on articles dealing with material related to the course (or the Kardashians). . You will be tested on your awareness of the world of macro..And this is good practice for your first job interview.
- You will use my Quizlet **FLASHCARDS** to help you learn key definitions, concepts, analyses.
- You will interact with me and with each other through online class, and online **CHAT ROOMS** for homework and other questions you have trouble with, as well as for “when, how, what” questions and other course related issues (email is **ONLY** for very personal issues)
- Slides will be posted in Sakai before each week’s classes. In Zoom class, we will deal with current events, applications, homework review for tough questions, in **multiple choice ‘quiz’ format with the REEF online clicker system** – there will be little straight lecturing. Seeing your inquisitive faces, and occasional looks of confusion, is very helpful for me so please use video (if you cannot for personal reasons, I understand)
- We will be playing **an online STOCK INVESTING GAME**, and using various simulators and data bases in the course,
- There will be **EXTRA CREDIT PROJECTS** available
- There will be 4 online quizzes during the semester, and no midterm or other exams (except the **final**). A large part of your grade will depend on an **ONLINE, COMPREHENSIVE, CUMULATIVE MULTIPLE CHOICE FINAL EXAM** at the end of the course covering all the material, encouraging you to learn the material for the **long-run**. (ignore Keynes here)

GRADING

Grades in the course will be based on **weighted total points** from

- **weekly graded, online, multiple choice homework ‘quizzes’** due before each class (**10%**), lowest several dropped
- **five online multiple choice quizzes (20%)**, about every three weeks, lowest one dropped
- **class participation and testing with clickers** every class (**20%**) with the lowest X days dropped (X will be revealed late in the course, 0 is a good number to aim for)
- a **COMPREHENSIVE MULTIPLE CHOICE FINAL EXAM** reflecting what you know at the end of the course (**50%**) – you will hate the heavy weight on the final – but it is intended to encourage you to study and learn the material for the long-run, not cram, and to give students who ‘get-it’ late in the course a chance (and an incentive) to do well.
- There will also be **EXTRA CREDIT PROJECTS** worth up to 1/2%. and possible extra credit for documented online use of the online **Learning Center(s)** and/or special seminars and talks.

Note that students must earn a grade of C or better in this course to major or minor in economics, and an A or better to run for President.

ATTENDANCE is **required** and reflected in clicker points from each class --viewing the zoom recordings of classes is **NOT** a substitute for attending the zoom classes.

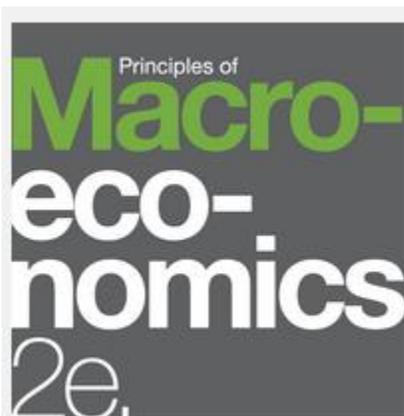
Except for documented absence due to participation in official University events or religious holidays, or **significant** illness or personal problems, there will be **no excused absences** However, **I will drop** the lowest several clicker day(s), the lowest several homework assignments, and the lowest clicker quiz. Please do not contact me for single missed classes as up to X are automatically not counted (where X is a low number).

I do not know if the University absence reporting website will be in use, but I don’t look at it so don’t waste your time posting on it - This is the one I IGNORE <https://sims.rutgers.edu/ssra/>

SUBSTANTIAL UNEXCUSED ABSENCES WILL LOWER YOUR COURSE GRADE

PROBLEMS, QUESTIONS – Post on the **PROBLEMS CHAT ROOM** in Sakai. **DON’T EMAIL** unless personal (health, family emergencies, etc).

TEXTBOOK AND READINGS ****F R E E**** **PRINCIPLES OF MACROECONOMICS 2nd Edition** by Timothy Taylor and others (sort of), through *Openstax College* (Rice University <http://openstaxcollege.org/>)



The textbook for this class is available to view for **free** online and as a downloadable pdf. **ALSO** (but **not** required) You can buy a print version for less than \$35) from OpenStax on Amazon (**NOT** required; If you buy on Amazon, make sure you use the link on your book page on openstax.org so you get the official OpenStax print version, and make sure it is the **2nd edition**. Simple printouts sold by third parties on Amazon are not verifiable and not as high-quality.) You can also find a **FREE kindle version** on Amazon, and through the *Student Resources* link on openstax, you can purchase an **ibook version** for \$7 (read on iphone, ipad, etc)

Principles of Macroeconomics from OpenStax, 2nd Edition ISBN-10: 1-947172-38-7 ISBN-13: 978-1-947172-38-8
www.openstax.org/details/principles-macroeconomics

FRBSF Economic Letter

2018-18 | July 9, 2018 | Research from the Federal Reserve Bank of San Francisco

Fiscal Policy in Good Times and Bad

Tim Mahedy and Daniel J. Wilson

Thanks in large part to recently enacted tax cuts, U.S. fiscal policy has taken a decidedly procyclical turn—providing stimulus when the economy is growing. In fact, the projected increase in the federal deficit over the next few years would represent the most procyclical fiscal policy stance since the Vietnam War. This matters because many recent studies have found that fiscal stimulus has a smaller impact when the economy is strong, implying that the

There will be **weekly supplementary reading** assigned (see each weeks assignment posted in **RESOURCES**)



Also REQUIRED – daily perusing (look it up) of the FREE, ONLINE WALL STREET JOURNAL, focusing on articles dealing with material related to the course, the economy, the world (or the Kardashians). . Create an account here –watch out for ads, buy-ins, etc – should be entirely free

<http://wsj.com/Rutgers> or



iCLICKER REEF response system (**clickers**) app for phone or pc or tablet. A subscription will be required (\$16 for 6 months). More information later.

FLASHCARDS Most students found the Quizlet flashcard sets I post every three week or so very helpful for studying for quizzes and the final and for learning the material. Some students discovered how helpful they would have been, too late.

ACADEMIC INTEGRITY

Do not cheat, the penalties are severe, it is wrong, and in the long-run, you will not benefit.

Do not:

- have someone click your clicker when you are not attending class, or responding to clicker questions when you are not part of the zoom class.
- talk about clicked questions unless you are told to do so,
- copy someone else's homework or have someone help with yours, or helping someone with theirs
- use the text or other sources when doing the homework (read first, test yourself with the hw afterwards)
- Using someone else's words or thoughts without citing them is also cheating.
- using notes, books, flashcards, or anything else during the quizzes or final exam
- working with or giving or getting help to someone else for hw, quizzes, and/or the final exam.

LEARNING CENTERS provide online tutoring. There will be (small) extra credit given for using them. More information later.

PRIVACY while recordings of our class meetings in Zoom Sessions will be made available, they are only for individual student course use. Redistribution or any other use is forbidden. You are expected to attend the Zoom classes with video – i.e. have your camera on unless there is a technical (low bandwidth) or other reason not to do so – in which case, email me confidentially.

ODS ACCOMODATIONS If you are entitled to accommodations thru ODS, please email me confidentially and explain what you need. Be sure to mention **Intro Macro**.

SCHEDULE

Note that we are covering the material in a somewhat different order than the text. We will cover all of it by the end of the course. **There are additional required readings shown on each week's ASSIGNMENT which will be posted in Sakai.** The syllabus shows the week, the chapters and sections in the textbook to be read **before** that week, and the weeks when we will talk about advising issues and investment issues. **YOU MUST LOOK AT EACH WEEK'S ASSIGNMENT IN SAKAI (click on RESOURCES) TO SEE ADDITIONAL READINGS, AND CHANGES (the reading shown below is not complete).** In addition to the reading and other activities shown in the Assignment in Sakai each week, there will be HOMEWORK in the form of online multiple choice questions done in Sakai, due **BY OR BEFORE** the class in which they are shown. They will be available in Sakai by Wednesday of the week **before** they are due, Late assignments will not be accepted (except in cases of illness, etc).

We meet twice a week, Monday and Wednesday online. The schedule just shows the beginning of week date

Course Week Beginning:	Assignment & hw due	Topic and notes	Textbook Chapters (addit'l readings will be in the posted ASSIGNMENTS in Sakai)
1/20 (Weds)	1	Economic and Macroeconomic Issues – one class this week on Wednesday 1/20	1, 2 (just sections – see assignment for which)
2 1/25	2	Demand, Supply and the Meaning of (Economic) Life <i>We meet Tuesday and Wednesday this week</i>	3, Appendix A (parts, just skim)
3 2/1	3	The Short-Run Keynesian Aggregate Supply and Demand Model <i>invest 0 – overview</i>	11, 12 (skip the section on The Phillips Curve– we will come back to it)
4 2/8	4	National Income Accounting – GDP <i>invest 1-stock</i> Clicker Quiz 1 advise 1	1 (just page 17 – circular flow), 6
5 2/15	5	Fiscal Policy and the Short-Run Keynesian Model <i>resume advise2 resume</i>	17.4, 17.5, 17.6, (and review 11, 12 skip the section on The Phillips Curve). Also the WORK IT OUT MODULES appendix B –you don't need to read the rest of the appendix
6 2/22	6	Money, Banking and the Financial System <i>invest 2A-more stock</i>	14, 15.2 (ONLY section 15.2 of chapter 15)

7 3/1	7	The Fed & Monetary Policy in the Keynesian SR Model Clicker Quiz 2	15
8 3/8	8	Price Indices, Inflation and the Short-Run Phillips Curve Invest 2B-yet more on stock, etc H	9, 12 (just the <i>Phillips curve</i> section 12.3)
3/12-3/20		SPRING BREAK	
9 3/22	9	The Long-Run/Classical Model <i>Last day to drop with a W is advising 3 - careers</i>	11 (just the <i>Keynes Law and Say's Law</i> section), 13
10 3/29	10	Unemployment and Wages Clicker Quiz 3	8
11 4/5	11	Economic Growth, Compounding & Present Value <i>invest 3-mutual funds advise 3 H</i>	7, 19.2 (just the section on <i>Improving Countries Standard of Living</i>)
12 4/12	12	International (Open Economy) Macroeconomics – trade, open-economy macro, xrates in the sr <i>invest 4-bonds</i>	See assignment for alternative reading, just sections 20.1, 20.4, 21.2, 21.5
13 4/19	13	International Macroeconomics continued - bop, international finance Thanksgiving <i>We meet only on Monday 11/23 this week</i>	10.1-10.3, 10.5, 16, 18.4
14 4/26	14	Macroeconomic Issues and Controversies – Government Deficits, Stabilization, Evolution of Macroeconomics <i>invest 5 – financial derivatives</i> Clicker quiz 4	17.1-17.3,17.7, 17.4-17.6 (this is review), 11.6, 12.4, 13.3
15 5/3	15	Economic Crises	
		FINAL EXAM TBA	