

Introduction to Macroeconomics 220:103:01

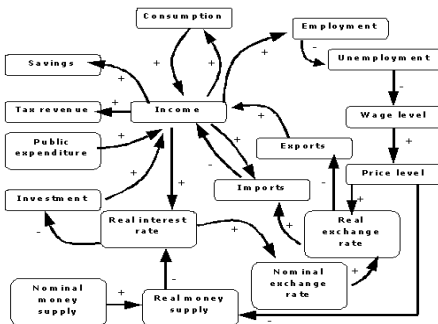
12/21/2019 – subject to revision

IMPORTANT

- We will be using a **free**, online textbook (see below)
- You will be **REQUIRED** to skim/read the **free** online Wall Street Journal daily/frequently. Other papers are good too.
- We will be using physical clickers –**iClicker** brand **only**– they are **required**
- Class attendance is **REQUIRED** and unexcused absences from class may be grounds for **failing** the course.
- You cannot use phones or laptops/tablets in class
- This will be your most favorite class, ever



Is a recession coming (**business cycles**)? 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 the Fed going to do next? And what is the Fed? (**monetary policy**) What's Brexit (**international macroeconomics**)? How will this affect you? Was the **great recession** (2007-09) avoidable? What did economists and politicians do wrong, and right? (**fiscal and monetary policy**) Could it have become a **depression**? What caused it? What did we do about it? Why does it matter (**macroeconomic theory and policy**)? Will it happen again? Is 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? What's **GDP** and why is it "gross"? What causes **unemployment** 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 (**Phillips 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** (and some **cookies**).

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.

To take this course you **MUST**:

- Have high-speed access to the Internet often. (dorm, library, home, Starbucks)
- 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)

- Buy or obtain an **iClicker** brand clicker (**any model, new or used**) and bring it to class regularly (the same clicker can be used by **ONE** student in multiple classes but **NOT** by multiple students) – starting with the first class.
- **Regularly attend class**, - **UNEXCUSED ABSENCES MAY BE GROUNDS FOR FAILING THE COURSE, and will lower your grade.**
- **Participate** in class and online chat rooms
- **Complete** graded weekly, on-line **assignments** which, along with reading, will take 4-6 hours per week.
- Use Quizlet (or other) **flash cards**
- **LOOK UP REQUIRED MATERIAL NOT CONTAINED IN THE TEXTBOOK.**
- **Regularly skim/read the free, online WALL STREET JOURNAL**

You must **NOT**

- **use a computer** in class. If there is a special reason for needing to use one, please see me. See: <http://www.learningscientists.org/blog/2019/7/25-1>
- **use cell phones in class** – not for calls, text messaging, or photographs/video.
- **come late or leave class early.**
- **talk** in class – it imposes external costs on others.
- **Record audio or video** in class without explicit written permission
- ***If any of these are difficult for you, it will be necessary to take the course with a different instructor***

MEETING TIMES, OFFICE HOURS, SAKAI, WEB ACCESS, EMAIL

The class meets MTh 11:30am-12:50pm, Scott 135 CAC and online 24/7.

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 Tuesdays 4:30-6PM starting January 28 (day/time might change occasionally with notice) in New Jersey Hall 403 CAC and other times by appointment. There will be a signup tool in Sakai to reserve a time slot or you can drop in but you might have to wait. 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 which course you are in and please email from a Rutgers email address.

HOW THE COURSE WILL WORK

- **Before** each week's classes, you will read/print the **assigns document** for the **next** week posted under **RESOURCES** in Sakai, and generally available by the Wednesday of the week before it is due (i.e. assignment 2 will be posted by Wednesday of week 1). **Late work will not be accepted.**
- 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 FIND ANSWERS TO QUESTIONS** and problems, even if they are not in the textbook (hint: **google**).
- 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.
- You will make and use some form of **FLASHCARDS** to help you learn key definitions, concepts, analyses.
- You will interact with me and with each other through 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)
- In class, we will deal with current events, applications, homework review for tough questions, in **multiple choice ‘quiz’ format with CLICKERS** – there will be little or no lecturing.
- We will be playing **A STOCK INVESTING GAME**, and using various simulators and data bases in the course,
- There will be **EXTRA CREDIT PROJECTS** available

- There will be 4 short quizzes during the semester, and no midterm or other exams (except the final). The majority of your grade will depend on a **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

- **graded, online, multiple choice homework quiz** due before each class (**10%**), lowest several dropped
- four **in-class quizzes** (**15%**), lowest one dropped
- **class participation and testing with clickers** every class (**15%**) 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 (**60%**) – 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 2%. And lesser extra credit for documented attendance at the **Learning Center(s)** 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. 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 see me for single missed classes as up to X are automatically not counted (where X is a low number).

If you miss **MORE** than two classes because of illness or a family emergency – **SEE ME (do not email)**, before or after class and please bring documentation about the cause.

Note that **I DO NOT LOOK AT OR USE THE UNIVERSITY ABSENCE REPORTING WEBSITE**

This is the one I ignore <https://sims.rutgers.edu/ssra/> Don't waste time with it for this course -

SUBSTANTIAL UNEXCUSED ABSENCES MAY BE GROUNDS FOR FAILING THE COURSE AND WILL LOWER A COURSE GRADE BY A LETTER GRADE (B TO C for example, or D to F).

TEXTBOOK AND READINGS ****FREE**** **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

<http://www.dailytargum.com/article/2018/03/rutgers-now-has-complimentary-access-to-the-wall-street-journal>



iCLICKER We will be using the **iClicker brand** response system (**clickers**) which sell for about \$45 new, with many available used for less. You **MUST** have your own .You can buy a used one, or borrow one from a friend who is **NOT USING IT THIS SEMESTER** . You must bring your clicker to every class and must not bring someone else's – there will be frequent checks for clickers that are in class when their owners' are not.

There are 3 models of iclicker – the original one, an iClicker+ replacement for it and the iClicker2, more expensive, small screen, alphameric entry. Any will work for this course. If it is available at the same price, get a REEF subscription bundled with it, although we will **NOT** be using REEF.

YOU MUST BUY/USE AN i>clicker BRAND CLICKER – **NOT **ANOTHER BRAND (NOT turning point etc) , **NOT **YOUR PHONE OR LAPTOP

DO NOT ORDER YOUR CLICKERS FROM A DISTANT SOURCE (online etc) – YOU WILL NEED THEM FROM THE VERY FIRST CLASS. And watch out for a seller charging you and then ordering them for future delivery. Also, if possible, get the iClicker that comes with a free 6 month subscription to their phone/web version, even though we will not be using this, you may in another course

FLASHCARDS are very helpful for most students to truly learn the material. We will likely use Quizlet, a free, online (and mobile) flashcard system

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 in class,
- talk about clicked questions unless you are told to do so,
- copy someone else's homework or have someone help with yours,
- 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.

LEARNING CENTERS provide tutoring. There will be (small) extra credit given for every time you go. <https://rlc.rutgers.edu/>
More information in class.

AUDIO-VISUAL RECORDING (sound, still photos, video) IN CLASS is NOT permitted without **explicit written authorization** of the instructor and notification of other students in the class, except where notification from the Office of Disability Services is provided.

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).

Week Beginning:	Assignment & hw due	Topic and notes	Textbook Chapters (addit'l readings will be in the posted ASSIGNMENTS in Sakai)
1 1/23 (Thurs)	1	Economic and Macroeconomic Issues—only <i>one class this week. On Thurs 1/23</i>	1, 2 (just sections – see assignment for which)
2 1/27	2	Demand, Supply and the Meaning of (Economic) Life <i>last day to drop 1/28 last day to add 1/29</i>	3, Appendix A (parts, just skim)
3 2/3	3	The Short-Run Keynesian Aggregate Supply and Demand Model <i>advise 1 invest 0 – overview</i>	11, 12 (skip the section on The Phillips Curve– we will come back to it)
4 2/10	4	National Income Accounting – GDP <i>invest 1-stock</i> Clicker Quiz 1	1 (just page 17 – circular flow), 6
5 2/17	5	Fiscal Policy and the Short-Run Keynesian Model <i>resume Cfuncest advise2 resume</i>	17.4, 17.5, 17.6, and just the WORK IT OUT MODULES appendix B –you don't need to read the rest of the appendix
6 2/24	6	Money, Banking and the Financial System <i>invest 2A-more stock</i>	14, 15.2 (ONLY section 15.2 of chapter 15)
7 3/2	7	The Fed & Monetary Policy in the Keynesian SR Model Clicker Quiz 2	15
8 3/9	8	Price Indices, Inflation and the Short-Run Phillips Curve <i>Invest 2B-yet more on stock, etc H</i>	9, 12 (just the <i>Phillips curve</i> section 12.3)
		SPRING BREAK 3/14-3/22	

9 3/23	9	The Long-Run/Classical Model <i>Last day to drop with a W is 3/23 advising 3 - careers</i>	11 (just the <i>Keynes Law and Say's Law</i> section), 13
10 3/30	10	Unemployment and Wages Clicker Quiz 3	8
11 4/6	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 4/13	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 4/20	13	International Macroeconomics continued - bop, international finance H	10.1-10.3, 10.5, 16, 18.4
14 4/27	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 5/4	15	Financial Crisis/Great Recession of 2007-9 <i>single class</i> LAST CLASS	
		FINAL EXAM THURSDAY MAY 7 8-11AM (don't make plans for that day)	