THE UNIVERSITY OF CHICAGO

Introduction to Macroeconomics

Economics 19900
Winter Quarter 2014
Mon. & Wed.
1:30 to 2:50 p.m.
Kent 120

Course Description:

The course will cover - via theory and basic economic reasoning, as well as contemporary applications and public policy debates - current major U.S. domestic and international macroeconomics issues, including: the determination of income and output, inflation, unemployment, and economic growth; the money supply, banking system, and the Federal Reserve; federal spending, taxation, deficits and debt; and international trade, exchange rates, the balance of payments, globalization; economic crises abroad; and long-run population and economic growth.

Text and Other Readings:

N. Gregory Mankiw, Principles of Economics, 6th Ed OR Principles of Macroeconomics, 6th Ed* = ME
Charles Wheelan, Naked Economics* = NE
Articles and Photocopied Handouts = PH

* For sale at the University (Barnes & Noble) Bookstore

Written Assignments:

There are no course/term paper requirements or problem sets.

Examinations:

There will be three midterm tests and a final examination, as noted on the reading/assignment schedule. Questions will include multiple choice, short answers, graphing, problems, interpretations and essays. Copies of previous Econ 199 examinations are available for purchase in SS101 and on-line via Chalk.

Grading:

The final course grade will be determined on the basis of performance on the four examinations. Each test is weighted equally and independent. Students will be allowed to drop the lowest of the four scores. There are no make-up exams; if a student misses a test then his/her grade will be based on the other three exams. Students may not take an Incomplete. If a student withdraws from the course after Week 3 and is not passing at that time, then he/she will receive a WF.

In addition, students are expected to have completed assigned readings before each session. Some consideration in grading will be given for productive contributions to class discussions.

Course Assistants:

David Coble: dcoble@uchicago.edu
Gabriela Antonie: gabrielaantonie@uchicago.edu
Ken Kikkawa: ayumukikkawa@uchicago.edu

Instructor’s Office Hours

Tues., 3:30-5:00 p.m.; Fri., 9:00-10:30 a.m. Other times by appointment. [My secretary is Julie Wong; her office is Rosenwald 229, her phone number is 834-6672, and her e-mail address is: juliew@uchicago.edu]
## Reading, Lecture, Discussion and Examination Schedule

<table>
<thead>
<tr>
<th>Class</th>
<th>Day &amp; Date</th>
<th>Topic(s), Reading and/or other Assignments</th>
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<tbody>
<tr>
<td>1</td>
<td>Mon., Jan. 6</td>
<td>Introduction to the Course; Major Contemporary Macroeconomics Issues; and The Economic Role of Government</td>
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<td></td>
<td></td>
<td>ME Chapters 1, 2 &amp; 3</td>
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<td>NE Chapters 1 &amp; 2</td>
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<td>2</td>
<td>Wed., Jan. 8</td>
<td>Government Spending and Taxation</td>
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<td></td>
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<td>ME Chapter 12 (in hardback version only)</td>
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<td></td>
<td></td>
<td>NE Chapters 3 &amp; 4</td>
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<tr>
<td>X1</td>
<td>Thurs., Jan. 9</td>
<td><strong>Overview of Economics 19900</strong></td>
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<td>7-9 p.m., SS122</td>
<td>ME Chapters 1, 2 &amp; 4</td>
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<td>PH</td>
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<td></td>
<td></td>
<td>ME Chapter 23 (10)*</td>
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<td>NE Chapter 9</td>
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<td>4</td>
<td>Wed., Jan. 15</td>
<td>Changes in the Price Level</td>
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<td>ME Chapter 24 (11)*</td>
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<td>PH</td>
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<td>X2</td>
<td>Mon., Jan. 20</td>
<td><strong>MLK Holiday; no class</strong></td>
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<td>5</td>
<td>Wed., Jan. 22</td>
<td>Labor Markets &amp; The Many Dimensions of Unemployment</td>
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<td>ME Chapter 28 (15)*</td>
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<td>6</td>
<td>Mon., Jan. 27</td>
<td><strong>First Examination</strong></td>
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<td>7</td>
<td>Wed., Jan. 29</td>
<td>Brief overview of the History of Economic Thought; Principal Macroeconomic Statistics;</td>
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<td>Introduction to Basic Macroeconomic Markets &amp; Modeling</td>
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<td>ME Chapters 1, 33 (20)*</td>
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<td>8</td>
<td>Mon., Feb. 3</td>
<td>Aggregate Demand, Aggregate Supply and Equilibrium; Capital, Investment and Saving</td>
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<td>ME Chapters 33 &amp; 34 (20 &amp; 21)*</td>
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<td>9</td>
<td>Wed., Feb. 5</td>
<td>An Introduction to and Overview of Keynesian Economics; Fiscal Policy;</td>
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<td>ME Chapters 26 (13)* &amp; 34 (21)*</td>
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<td>NE Chapter 9</td>
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*Numbers in parentheses refer to the Mankiw paperback *Macroeconomics*. 

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2
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<thead>
<tr>
<th>Class</th>
<th>Day &amp; Date</th>
<th>Topic(s), Reading and/or other Assignments</th>
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<tbody>
<tr>
<td>10</td>
<td>Mon., Feb. 10</td>
<td>Deficits and Debt</td>
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<td>ME Chapters 26 (13)* and 36 (23)*</td>
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<tr>
<td>11</td>
<td>Wed., Feb. 12</td>
<td><strong>Second Examination</strong></td>
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<tr>
<td>12</td>
<td>Mon., Feb. 17</td>
<td>Introduction to Monetary Economics: Money, Commercial Banking, Central Banking and the Federal Reserve System</td>
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<td>ME Chapters 29 &amp; 30 (16 &amp; 17)*</td>
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<td>PH</td>
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<tr>
<td>13</td>
<td>Wed., Feb. 19</td>
<td>Monetary Policy</td>
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<td>ME Chapters 29 &amp; 30 (16 &amp; 17)*</td>
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<td>NE Chapter 10</td>
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<td>ME Chapters 35 &amp; 36 (22 &amp; 23)*</td>
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<td>15</td>
<td>Wed., Feb. 26</td>
<td>Inflation and Unemployment; “Market Madness”</td>
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<td>ME Chapters 34, 35 &amp; 36 (21, 22 &amp; 23)*</td>
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<td>16</td>
<td>Mon., Mar. 3</td>
<td><strong>Third Examination</strong></td>
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<tr>
<td>17</td>
<td>Wed., Mar. 5</td>
<td>International Trade and Restrictions in Theory and Practice</td>
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<td>ME Chapters 3 &amp; 9</td>
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<td>NE Chapter 12</td>
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<td>18</td>
<td>Mon., Mar. 10</td>
<td>International Finance: the Balance of International Payments, Exchange Rates, Stabilization in an Open Economy</td>
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<td>ME Chapters 31 &amp; 32 (18 &amp; 19)*</td>
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<td>NE Chapter 11</td>
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<td>19</td>
<td>Wed., Mar. 12</td>
<td>Stabilization in an Open Economy; Population Growth and Economic Growth</td>
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<td>ME Chapter 25 (12)*</td>
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<td>NE Chapter 13</td>
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<td>X3</td>
<td>Mon., Mar. 17</td>
<td><strong>Fourth/Final Examination (1:30 – 3:30 p.m. in Kent 120)</strong></td>
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*Numbers in parentheses refer to the Mankiw paperback *Macroeconomics.*