Goals: Macroeconomics is the study of economic activity on a national level. This includes the determination of national output and prices, short-run fluctuations and long-term growth, the role of the financial sector, the impact of monetary and fiscal policies, and international economies.

Prerequisites: The prerequisites for the course are fulfillment of the basic skills component of the Quantitative Reasoning requirement and ECON 101: Principles of Microeconomics (or its equivalent).

Readings: The texts for the course are:

Case, Fair and Oster, *Principles of Macroeconomics* (11th ed)

The solutions to the questions at the end of each chapter are available in the *Instructor’s Manual*, which is available on our Sakai site. Supplementary readings are available through Sakai.

Requirements: The final grade will be based on the results of two mid-term exams (25% each), a final exam (40%) and the problem sets (10%).

Sakai Site: We will use our Sakai site to make announcements, post news stories and problem sets, answer questions, etc.

Office Hours: Office hours will be on Wednesdays from 2 p.m. – 3:30 p.m. and Thursdays from 2:30 – 4 p.m.

Tutor: The class tutor is Mina Mizrahi. She will hold regular office hours.

Classroom Environment: We meet in the classroom to collectively learn the material. Laptop computers are not to be used unless a student has prior permission. Do not send or check for text messages. Please refrain from leaving the room unless necessary. All members of the course are expected to adhere to the Honor Code of Wellesley College.
READINGS

I. Macroeconomic Concepts

Jan. 27: PPF and Circular Flow
C, F, and O, Ch. 2: 32-42, Ch. 5

Jan. 30: Gross Domestic Product
C, F and O, Ch. 6: 111-120
*The Economist*, “Joy to the World,” 12/20/2014

Feb. 3: Nominal and Real GDP
C, F and O, Ch. 6: 120-125

Feb. 4: ALT

Feb. 6: Inflation, Deflation and Unemployment
C, F and O, Ch. 7: 129-140
*The Economist*, “The Pendulum Swings to the Pit,” 10/25/2014

**PROBLEM SET #1 (due Feb. 13)**

II. Growth

Feb. 10: Sources of Growth
Feb. 13: Record of Productivity
C, F and O, Ch. 7: 140-142, Ch. 17
*The Economist*, “America’s Lost Oomph,” 7/19/2014

III. Financial Markets

Feb. 17: Financial Intermediation

Feb. 18: ALT

Feb. 20: Bonds and Stocks
C, F and O, Ch. 11: 213-214, Ch. 15: 281-287

**PROBLEM SET #2 (due Feb. 24)**

**FIRST EXAM: I - III (Feb 27)**
IV. Income-Expenditure Model

Feb. 24: Equilibrium Output
C, F and O: Ch. 8

March 3: Government Expenditures and Taxes
C, F and O: Ch. 9: 165-175, Appendix A

March 4: ALT

March 6: Money and GDP
C, F and O, Ch. 11

PROBLEM SET #3 (due March 13)

V. Business Cycles

March 10, 13: Aggregate Demand and Supply
C, F and O, Ch. 12

March 17: Phillips Curve
C, F and O, Ch. 14: 270-27

March 18: ALT

March 20, 24, 27 Spring Break

VI. Fiscal Policy

March 31: Fiscal Budget
April 3: Debt
C, F and O, Ch. 9: 175-181, Appendix B

PROBLEM SET #4 (due April 7)

SECOND EXAM: IV - VI (April 10)
VII. Monetary Policy

April 7: Money Creation
April 8: ALT
April 14: Federal Reserve
April 17: Policy Tools and Goals
C, F and O, Ch. 10
*The Economist*, “What is Quantitative Easing?” 3/9/2015

**PROBLEM SET #5 (due April 24)**

*April 21: Monday Schedule*

April 22: ALT Class

VIII. International Macro

April 24: Balance of Payments
C, F and O, Ch. 20: 376-380

April 28: Trade and GDP
C, F and O, Ch. 20: 380-384

*April 29: Ruhlman Conference*

May 1: Exchange Rate Markets
C, F and O, Ch. 20: 384-389

May 5: Fixed Ex Rates

**PROBLEM SET #6 (due May 8)**

May 8: Global Inequality

RESOURCES GUIDE FOR LEARNING MACROECONOMICS

People

• JPJ: Office Hours: Wednesdays 2 – 3:30 p.m., Thursdays 2:30 – 4 p.m.
• Mina Mizrahi, Class Tutor
• Econ Help Room, PNW 116, Sun – Thursday 7 – 9 p.m.

Reading Materials

• Class lecture notes
• Case, Fair and Osler, Principles of Macroeconomics (11th ed)

Review Questions

• Problem Set Questions and Answers
• Questions at end of textbook chapters, answers in Instructor’s Manual:

I. Macroeconomic Concepts

  Ch. 2: 2, 7, 8, 9
  Ch. 6: 3, 4, 8, 9, 11, 12, 18, 19
  Ch. 7: 1, 4, 5, 8, 9, 1015, 17, 19

II. Growth

  Ch. 17: 2, 4, 5, 9, 10, 11, 12, 13

III. Financial Markets

  Ch. 11: 12
  Ch. 15: 1, 2

IV. Income-Expenditure Model

  Ch 8: 2, 6, 7, 11, 12, 13, 14
  Ch. 9: 2, 5, 6, 7, 10, 11, 12, 13
  Ch. 11: 4, 6, 10, 14

V. Business Cycles

  Ch. 12: 4, 11
  Ch. 14: 9, 11
VI. Fiscal Policy
   Ch. 9: 3, 9

VII. Monetary Policy
   Ch. 10: 3, 5, 6, 7, 9, 12, 13, 15, 17

VIII. International Macro
   Ch. 20: 2, 6, 8, 9, 10