

ECONOMICS 20A
INTRODUCTION TO MACROECONOMICS
SYLLABUS

Course description: This course provides an introduction to macroeconomics. Macroeconomics is the study of overall or aggregate economic performance of national economies. The course will develop the main models economists use to understand the relationships between economic growth, unemployment, inflation, interest rates, and exchange rates in the long run and in the short run. The course will also focus on the role of government policy in promoting economic growth in the long run and in limiting the effects of business cycle fluctuations in the short run.

This course satisfies the School of Social Science distribution requirement.

Learning goals: This course has three primary learning goals:

- I. Students should be able to apply the knowledge they have gained in this course to current macroeconomic events and to historical events such as the Great Depression.
- II. Students will come out of this course better able to use basic macroeconomic principles to critically evaluate the arguments for and against fiscal and monetary policy proposals (e.g., tax cuts, infrastructure spending, the 2009 stimulus package, quantitative easing).
- III. For those students who choose to take further economics courses, that this course will prepare them with the theoretical tools and knowledge to be successful.

In addition, this course aims for each student to gain a mastery of course concepts, including (but not limited to) the following:

- Students will understand how the basic macroeconomic indicators (gross domestic product, the inflation rate, the unemployment rate) are constructed and be able to explain their limitations
- Students will understand the determinants of economic growth
- Students will be able to explain why the economy does not always remain at full employment but instead experiences the ups and downs of the business cycle
- Students will be able to predict the effects changes in monetary and fiscal policy will have on the economy
- Students will become familiar with important economic institutions, e.g., money, banks, central banks
- Students will be able to explain how and why the Federal Reserve Board goes about changing the money supply and short-run interest rates.

Meeting time: Room/time TBD

Office hours: Time TBD, or by appointment, in PhD room (bottom floor of IBS)

Prerequisites: Econ 2a (with a B+ or higher) or Econ 10a.

Course materials: The required text is Robert E. Hall and Marc Lieberman, *Macroeconomics: Principles and Applications*, 6th edition (South-Western Cengage Learning, 2012).

Supplementary materials will be posted in LATTE on a topic-by topic basis. You are also encouraged to keep up with current economic events by reading [The New York Times](#), [The Economist](#), the [Financial Times](#), or listening to [National Public Radio](#) or the [BBC World Service](#).

Course Organization:

Assignments: There will be approximately 4 problem sets (roughly one per week). You are encouraged to work with other students that are enrolled in Econ 20a in developing your approach and solutions, however, you must write your answers independently (i.e., what you turn in must represent your own work, not simply a copy of another student's assignment). ***A problem set not turned in at the beginning of class on the date it is due will receive a zero.*** No late problem sets are accepted.

Exams: There will be a midterm (in class) and a final (date and location to be scheduled by the Registrar). The midterm will be based on the material covered during the first 2 weeks of class, while the final exam will be cumulative, with a heavier leaning on the second half of the course. In the event of an excused absence from the scheduled midterm, a make-up exam will be arranged. The grade for an unexcused absence is zero.

University policy does not allow final exams to be given in advance of the published exam time. The make-up for an excused absence from the scheduled final exam will be administered by the Registrar, either on the "conflict resolution" day or after classes resume in the fall. For a planned absence from the final exam (one that does not entail an emergency), the student seeking an excused absence must request an "excused absence from a final exam" in advance through the Office of Undergraduate Academic Affairs.

MIDTERM: Room/time TBD

FINAL: Room/time TBD

Grading: Grades will be assigned according to a curve of the raw course scores computed using the following formula:

Problem sets:	30%
Midterm:	30%
Final:	40%

Preparation: Prepare for each lecture by reading the assigned materials in advance (see course outline on last page of syllabus for tentative reading list). A useful strategy would involve reading quickly through the material prior to class and then reading more carefully through the same material following the lecture. Lecture notes will be posted on LATTE.

Academic Integrity: You are expected to be honest in all of your academic work. Please consult Brandeis University's [Rights and Responsibilities](#) for all policies and procedures related to academic integrity. Allegations of alleged academic dishonesty will be forwarded to the Director of Academic Integrity. Sanctions for academic dishonesty can include failing grades and/or suspension from the university.

Accommodations: If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me right away. Please keep in mind that accommodations cannot be provided retroactively.

Classroom etiquette: Students are expected to refrain from behavior that is disruptive to their classmates. Please do not talk to your neighbors during lecture and silence and put away all laptops, cell phones, and other electronic devices.

TENTATIVE COURSE OUTLINE

TOPIC I: MACROECONOMIC MEASUREMENT AND POLICY GOALS

- **Week 1:**
 - Introduction to Macroeconomics/Econ Review: Ch. 1-4
 - What Macroeconomics Tries to Explain: Ch. 5
- **Week 2:**
 - Measuring a Nation's Income: Ch. 6 (pg. 134-52)
 - Measuring Unemployment: Ch. 6 (pg. 153-64)
 - Measuring the Price Level & Inflation: Ch. 7 & appendix

TOPIC II: CLASSICAL THEORY: THE ECONOMY IN THE LONG RUN

- **Week 2 (continued):**
 - The Classical Long-Run Model: Ch. 8
- **Week 3:**
 - Economic Growth & Rising Living Standards: Ch. 9
 - Money, Banks, & Central Banks: Ch. 13 (pg. 365-375)
 - Exchange Rates & Macroeconomic Policy: Ch. 17 (as time permits)

TOPIC III: BUSINESS CYCLE THEORY: THE ECONOMY IN THE SHORT RUN

- **Week 4:**
 - The Business Cycle: Ch. 10
 - The Short Run Macro Model: Ch. 11
 - Fiscal Policy: Ch. 12
- **Week 5:**
 - The Money Market & Monetary Policy: Ch. 14
 - Aggregate Demand & Aggregate Supply: Ch. 15
 - Inflation & Monetary Policy: Ch. 16 (as time permits)