ECO 720 - Macroeconomics

John Jay College, Spring 2023
Thurs 8:10 PM – 10:10 PM
Class Location: New Building 9.63.24

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Online Office Hours: Tues 1:30 PM – 3:30 PM and by appointment
Office Location: 9.63.32
Online Locations:

- Zoom: https://jjay-cuny.zoom.us/j/5116324579
- Dropbox:
  https://www.dropbox.com/sh/1jdhapjgufvpowc/AAD1TROxJFkh6FEjsOs6McvEa?dl=0
- Blackboard: Login via CUNYFIRST

Course Description: This is a course in practical, policy-oriented macroeconomics. Macroeconomics is the study of the economy as a whole, as distinct from the behavior of individual households, businesses and markets. Macroeconomics encompasses a broad set of historical and policy questions about national economies, a system of accounting for aggregates describing the economy as a whole, and a body of theory for explaining the behavior of those aggregates. The goal of this course is to give students the tools, vocabulary, and concepts to participate in discussions of macroeconomic policy and concrete developments in real economies. The primary focus will be on building up the core concepts used in public discussions of the economy.

A secondary goal of this course is to introduce some of the various bodies of theory, heterodox as well as mainstream, that have been used to understand the economy. Formal macroeconomic models will often be discussed, and students will have support for developing fluency with using these models, but formal modelling is not the primary focus. The course is designed mainly for people who need an understanding of the economy for work in journalism, policy, political advocacy or similar professional settings; it is not designed as preparation for PhD level work in economics, though students who do pursue further graduate work in economics should find it useful. The course does not assume any prior background in economics.

Some questions we will explore over the course of the semester include: How do we measure quantities and prices at the level of the entire economy? Why do output and employment vary from year to year? Why does economic growth so often involve booms, crises and depressions rather than a steady rise in living standards? Why do people with the capacity and willingness to work remain unemployed? What is the relationship of money and finance with the "real" activity of production and consumption? Why is the distribution of income so unequal, and how has it changed over time? Why are prices subject to periods of inflation and deflation, and why does this matter? Why are manias, panics, bubbles and crashes so common in financial markets? Why are some countries rich, while others are poor? Why do some countries consistently sell more than they buy from the rest of the world, while other countries buy more than they sell and must borrow abroad?

Learning Outcomes:

- Gain the ability to actively participate in macroeconomic policy discussions.
- Increase proficiency with quantitative reasoning including manipulating equations, the use of graphs to analyze economic relations, and the ability to translate mathematical statements into verbal statements.
- Increase proficiency with academic writing including reasoned argumentation, the use of evidence, and the evaluation of economic arguments.
- Gain understanding of central historical economic developments and institutional evolution.

- Gain understanding of various schools of macroeconomic thought.

Prerequisites: This course does not assume any background in economics. However, the course will freely use mathematics up to the level of multivariate calculus. If you are not fully comfortable with this level of math, support will be given to help you strengthen your quantitative skills if you so desire. In addition, less quantitative options for completing the course will be allowed, which will focus more heavily on writing.

Coursework Requirements: Final grades will be based on consistent practice assignments graded for completion (50%), three end of section tests (30%), and a take-home final exam or term paper (20%). Rather than incentivizing students to focus on doing the minimum to achieve a desired grade, my central goal in this course is for all students to focus on the process of growing as much as they can as a thinker. This process requires consistent practice, and correcting mistakes that inevitably occur on a first attempt. To this end, I have heavily weighted my grading scheme to incentivize consistent study assignments which are only graded for completion. For graded assignments, grades will be assigned on a curve such that any student who completes the bulk of the coursework and demonstrates a good-faith effort to master the material will receive a grade of B or above. In addition, revisions will be allowed for end of section tests which will increase your score on these assignments, but revisions will not be allowed on the final exam (or term paper if you opt for this choice). Finally, students need to make an A in each of the above three categories in order to be eligible for an A in the course.

Consistent Practice Assignments: There are two types of consistent practice assignments: discussion papers and fundamentals exercises. These are short assignments which are intended to be completed consistently throughout the semester, and are graded for completion only. Each of these assignments is worth 2.5 points of your final grade, and so you will need to submit 20 to receive a 100 for this grade item, or 16 to receive a 90. In order to incentivize *consistent* practice, students are only allowed to submit a single fundamental exercise, and a single discussion paper per week. There are 15 total weeks of instruction, so an A- in this category requires students to complete roughly one consistent practice assignment per week, while an A requires students to average 1.3 assignments per week. A final consideration is that this structure will also allow students to choose their own mix of quantitative versus written assignments, based on their academic background, preferences, and future plans. Students who desire more quantitative exercises can opt for more fundamental exercises, while students who desire more written exercises can opt to write more discussion papers.

Discussion Papers: For each discussion paper, students will select a professional quality article (op-ed, academic journal, think tank policy paper, etc), and then write a 600 word (min) response paper that critically engages with it. All discussion papers are required to be structured around a thesis, and include a description of what you have read, so that you can show that you truly understand what your are critically engaging with. Critical engagement is a deliberately broad term which will give students much flexibility in how they choose to respond to a given article, however, common forms of critical engagement include answering the questions: is this article true, meaningful, and/or useful. Students are free to select their choice of article to discuss, provided that it focuses on the topics we are covering in class, and is of high quality. In addition, throughout the semester I will post numerous articles that students can select for discussion papers.

Fundamentals Exercises: Fundamentals exercises are short numerical exercises that teach students the fundamental elements and properties of the economic models we will study in this course, and will serve as the basis for in class exercises. I will provide a large number of fundamentals exercises, and students can select any of these exercises to turn in (even if they are from a previous topic), provided they have not already turned in that exercise. In addition, I will also provide comprehensive solutions to fundamentals exercises. Students can opt to submit a fundamental exercise that has already had solutions provided, however they will be required to transcribe (typed or by hand is fine) the solutions verbatim 5 times. This will help students gain the repetitions needed to master the material.

Attendance: Students are expected to attend class regularly, and to be active participants in class discussions. A few absences over the course of the semester will not reduce your grade, but it is your responsibility to inform yourself about the material covered on any days that you miss.

Course Readings:

All course readings will be distributed electronically via the course Dropbox folder. Our central textbooks in this semester include Blanchard, Macroeconomics 8E, and Snowdon and Vane, Modern Macroeconomics: Its Origins, History, and Current State. Below is a provisional schedule, which contains the chapters and topics we will cover. I will also provide a large number of additional articles meant to introduce alternative perspectives and/or more depth and historical/institutional details. These are available in Dropbox folders sorted by topic, which also include short reading guidances to help you find the most important articles. Students are required to complete all textbook chapters and at least 1 article from the readings prior to class, so that they are fully prepared to discuss these readings in class. In addition, I recommend perusing the course library folder in Dropbox, which includes a large selection of interesting resources on a variety of macroeconomic topics.

Provisional Schedule of Topics and Textbook Readings

This provides a provisional schedule of topics and textbook readings. In addition, the textbooks will be supplemented by numerous articles on Dropbox. Note well: this schedule will change throughout the semester. All changes and readings will be posted at least one week in advance.

Week	Date	Topic	Textbook Chapters
Week 1	26-Jan	Intro - State of Macro - Lesson's Learned from a Decade of Crisis?	Blanchard Ch. 1
Week 2	2-Feb	Goods Market: National Accounting and GDP, Multiplier, Keynes vs. the Classics	Blanchard Ch. 2-3, Snowdon and Vane Ch. 2
Week 3	9-Feb	Financial Markets, Monetary Policy, and Instability	Blanchard Ch. 4, Snowdon and Vane Ch. 4
Week 4	16-Feb	IS-LM	Blanchard Ch. 5
Week 5	23-Feb	IS-LM II - Fiscal and Monetary Policy	Blanchard Ch. 6, Snowdown and Vane Ch. 3
Week 6	2-Mar	Labor Market	Blanchard Ch. 7
Week 7	9-Mar	Inflation	Blanchard Ch. 8
Week 8	16-Mar	IS-LM-PC	Blanchard Ch. 9
Week 9	23-Mar	Growth	Blanchard Ch. 10-12
Week 10	30-Mar	Inequality	
	6-Apr	SPRING BREAK NO CLASS	
Week 11	13-Apr	Open Economy I - Balance of Payments and Global Imbalances	Blanchard Ch. 17-18
Week 12	20-Apr	Open Economy II - Exchange Rates	Blanchard Ch. 19-20

Week 13	27-Apr	Open Economy III - Swan Diagram	
Week 14	4-May	Fiscal and Monetary Policy Revisited	
Week 15	11-May	State of Macro Revisited	

Term Paper Rubric:

	A (Professional Quality)	B (Strong Argument that Exceeds Minimum Requirements)	C (Meets Minimum Requirements)	D (Does Not Meet Minimum Requirements)
Thesis (20%)	Thesis clearly and concretely summarizes the central argument of paper, as well as the evidence that will be used to support it. Reader can easily infer the organization of the paper from thesis statement. Thesis balances describing the general, overarching framework of paper, with the concrete specifics of the argument. Thesis contains the most important information necessary to evaluate the argument.	Thesis summarizes the central argument of paper, as well as the evidence that will be used to support it. Reader can infer the organization of the paper from thesis statement.	Thesis is essentially a "working" thesis statement. Thesis states topic and discusses what paper "intends" to accomplish, but does not provide summary of what paper actually does accomplish. Reader cannot infer organization of paper from reading thesis.	No thesis statement
Argument (20%)	Argument clearly stated, logically consistent, and supported by best available evidence. Argument shows mature understanding of nuances of competing positions in topic, and convincingly	Argument clearly stated, logically consistent, and supported by strong evidence. Thesis shows reasonable understanding of competing positions in topic, and clearly demonstrates why the authors position is true and meaningful.	Argument stated, generally logically consistent, and supported by evidence. Thesis shows understanding of competing positions in topic, and demonstrates why the authors	Argument unclear, not generally consistent, and unsupported by evidence. Argument shows misunderstanding of positions in topic, and does not demonstrate why authors position is

	demonstrates the author's chosen position is true and meaningful.		position is true and meaningful.	true and meaningful.
Economic Content (20%)	Argument shows deep engagement with and mature understanding of best available materials for a given topic. Argument uses not only the best available assigned readings from class, but also shows that the student has invested significant time researching best available outside sources, and has mastered the material.	Argument shows engagement with and understanding of available materials for a given topic. Argument uses assigned readings from class, and also shows that the student has invested significant time researching outside sources, and has gained competency with the material.	Argument cites minimum number of required sources (5), shows engagement with both class readings and outside sources, and shows that students has gained understanding of available material on topic.	Argument does not cite minimum number of sources, and shows flaws in understanding of material.
Writing Mechanics (20%)	Writing style is clear, and free of syntax or grammatical errors.	Writing style is generally clear, and paper only contains a small number of syntax or grammatical which do not impede communication of central point.	Writing style is sometimes clear. Paper may contain some syntax or grammatical errors, but these errors do not compromise communication of central point.	Writing style is often unclear, and paper contains syntax or grammatical errors that compromise communication of central point.

Organization of Paper (20%)	Argument in paper is well organized. The paper begins with an introduction which clearly states the central argument, and introduces the evidence that will be used to support the argument in a logical order. Body paragraphs which introduce this evidence follow the outline given in the introduction. Body paragraphs begin with clear topic sentences that introduce the central point of paragraph and end with transition sentences. Reader can clearly follow all stages of the argument throughout.	Argument in paper is generally well organized. The paper begins with an introduction which states the central argument, and the introduces the evidence that will be used to support the argument in a logical order. Body paragraphs which introduce this evidence follow the outline given in the introduction. Argument is generally easy to follow.	Argument in paper is organized. Paper begins with statement of the central argument, and introduces evidence that will be used to support argument. Body paragraphs follow outline given in introduction. Argument can be followed without much effort.	Argument in paper is not well organized. Thesis statement is unclear, evidence is not introduced in introduction, and introduction does not provide clear road map of paper. Argument generally requires substantial effort to follow.

Course Policies

Late policy: Due to their emphasis on *consistent* practice, late fundamental exercises or discussion papers will not be accepted. Late problem sets will receive a half letter grade per day penalty, with the maximum deduction of B-. Problem sets turned in after solutions are released will receive an automatic B-.

Americans with Disabilities Act Accommodations: Qualified students with disabilities will be provided reasonable academic accommodations if determined eligible by the Office of Accessibility Services (OAS). Prior to granting disability accommodations in this course, the instructor must receive written verification of a student's eligibility from the OAS which is located at L66 NB (212-237-8031). It is the student's responsibility to initiate contact with the office and to follow the established procedures for having the accommodation notice sent to the instructor. For more info: http://www.jjay.cuny.edu/cuny-accommodations-policy

Wellness and Student Resources: Students experiencing any personal, medical, financial or familial distress, which may impede on their ability to fulfill the requirements of this course, are encouraged to visit the Wellness Center (L.68 NB). Available resources include Counseling Services, Health Services, Food Bank, and legal and tax aid through Single Stop. http://www.jjay.cuny.edu/wellness-resources

CUNY Policy on Academic Integrity

Students are encouraged to work together on all course activities, but must submit their own work. These CUNY resources can help you with a full discussion of academic integrity.

Academic dishonesty is prohibited in The City University of New York. Penalties for academic dishonesty include academic sanctions, such as failing or otherwise reduced grades, and/or disciplinary sanctions, including suspension or expulsion. The complete text of the CUNY Policy on Academic Integrity can be accessed at: http://www2.cuny.edu/about/administration/offices/legal-affairs/policies-procedures/academic-integrity-policy/

Plagiarism:

Plagiarism is the presentation of someone else's ideas, words, or artistic, scientific, or technical work as one's own creation. Using the ideas or work of another is permissible only when the original author is identified. Paraphrasing and summarizing, as well as direct quotations require citations to the original source. Plagiarism may be intentional or unintentional. Lack of dishonest intent does not necessarily absolve a student of responsibility for plagiarism.

It is the student's responsibility to recognize the difference between statements that are common knowledge (which do not require documentation) and restatements of the ideas of others. Paraphrase, summary, and direct quotation are acceptable forms of restatement, as long as the source is cited. Internet plagiarism includes submitting downloaded term papers or parts of term papers, paraphrasing or copying information from the Internet without citing the source, and "cutting and pasting" from various sources without proper attribution.

Students who are unsure how and when to provide documentation are advised to consult with their instructors. The Library has free guides designed to help students with problems of documentation at: http://guides.lib.jjay.cuny.edu/citing_sources