

# Economics 002: Introduction to Macroeconomics

## Summer 2021 - Syllabus

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**Course Website:** Canvas - [canvas.upenn.edu](https://canvas.upenn.edu)

**Weekly Schedule:**

- *Weekly asynchronous lectures* - Posted biweekly Sunday and Thursdays on Canvas

- *Live Zoom Q&A meetings* - T 9-10AM, Th 8-9PM, F 2-3PM (all times are tentative and subject to change based on needs of class)

**Recommended Text:** *Principles of Macroeconomics*, 2nd edition

Open source textbook that can be viewed and downloaded online from <https://openstax.org/details/books/principles-macroeconomics-2e>

## 1 Course Description and Overview

Economics 002 is the introductory course for macroeconomics for undergraduates - those in the economics major or those simply interested in the subject. Macroeconomics studies the aggregate behavior of the economy (usually at a national or even global level) and examines the behavior and determinants of economic production, growth, inflation, and unemployment among other variables of interest. We will focus on introducing the basic concepts and questions of macroeconomics:

- What are the aggregate quantities of interest?
- How do we measure them?
- How can we describe their behavior through simplified models?
- What government policies can be enacted to influence the performance of the economy?

The initial portion of the course will deal for the first two bullet points. We will become familiar with the various metrics economists have constructed to measure the level of production in the economy, how prices change, long-run growth, and more. Next, we will cover several models that aim to capture the fundamental forces working to determine the economic quantities of interest.

At each step, we will consider the relevant government policies, how they can be incorporated into our simplified models, and their potential influences and drawbacks.

This course is a introduction to macroeconomics, and as such, the technical requirements are relatively minimal. We will not be using any calculus to construct and interpret our models; the only mathematics prerequisite is a good understanding of algebra and pre-calculus. Note that ECON 001 is listed as an official prerequisite for this course.

## 2 Course Organization

Due to the ongoing COVID-19 crisis, this course will be taught entirely in an online format. There will be a mix between asynchronous and synchronous components with a skew towards the former. I will release pre-recorded lecture videos on a biweekly basis (Sunday and Thursday releases), which will cover the material for the upcoming week. Because this is an accelerated summer course with only 5.5 weeks to cover a normal semester's worth of material, I estimate I will release 3 hours of lectures each week. This may fluctuate and change based on the specific block in the curriculum and the needs of the class. The video will be broken down into shorter, self-contained segments that you may watch asynchronously at your own time and pace.

The asynchronous lectures will be complemented by live, synchronous Q&A meetings on Zoom. My Zoom sessions will be held on a regular weekly schedule - Tuesday 9-10AM, Thursday 8-9PM, Friday 2-3PM (note this is tentative and subject to change based of the needs of the class; further, the first week will have a different schedule that I will cover in an announcement). The Q&A meetings will be used to address any questions from students as group as well as potentially cover some sample questions and material in a live setting. I will also reserve the last 15 minutes of each session for individual 1-on-1 meetings if anyone wants to discuss something in private as needed. These meetings will be recorded and posted on Canvas, so that they may be accessed and watched asynchronously. I still highly encourage students to attend as we may address questions and material helpful to you in future assignments or exams, and more live attendees can facilitate more useful discussions.

### 3 Course Material and Readings

The most important material for this class are the set of lecture videos and the accompanying slides that I will release on Canvas. In all of the videos, you will see me following a set of slides interspersed by some tangents to talk in more depth about particular concepts or go through an example problem. Since I will go through all topics in a unified framework using a unified notation, I suggest you use the slides and lecture videos as your main studying resource.

There is no required textbook for the course, however I will match many covered topics in the recommended open source text *Principles of Macroeconomics*, 2nd edition, which can be found here:

<https://openstax.org/details/books/principles-macroeconomics-2e>

Although the textbook is not required (in the sense that assignments and exams will NOT test you on material included there but not in the lectures and slides), I still suggest reading relevant chapters as we progress and have included them in the schedule below. The text can complement the more tightly focused model-based approach of the class and offer some broader perspective and intuition. I may also upload additional articles and notes from external sources to supplement student's study material.

Finally, I recommend you get in the habit of reading current events in the economy through news articles in *The New York Times*, *Financial Times*, and *The Economist*. Staying informed about the reality of the economy will help in applying the information of the course to understanding current events. I will try to address current economic events from time to time and may link articles of interest and relevance to topics we cover.

### 4 Course Requirements and Grading

Students will be graded based on 10 homework assignments and 3 exams spread across the duration of the course. The homeworks are distributed to encompass roughly half to two thirds of a given week's material. As detailed in the tentative schedule below, homeworks are due each Wednesday and Monday at 11:59PM EST except for the first homework which will be due Thursday, May 27th for a more relaxed start to the course. They will consist of roughly 15-20 multiple choice questions, and they should be accessed and completed through Canvas. I plan to release homeworks for the upcoming

week (i.e. the coming Wednesday and next Monday) on a biweekly basis alongside the lecture videos. Students can then access and complete them based on their own weekly studying schedule. Students are free to discuss and collaborate on homework, if they wish. No excuses will be allowed for late homework submissions.

In addition to the homeworks, there will be three exams, each covering about 1.5-2 weeks of material. The exams will not be cumulative, however the tested material will naturally draw upon concepts that you may have learned earlier in the class. Exams will be posted on Canvas as a downloadable PDF and available to access over a 24 hours period starting at 11AM EST of the scheduled day. Upon opening the exam on Canvas and downloading the PDF, a timer will start, and you will have 1 hour and 45 minutes to upload and submit your answers on Canvas in a PDF format. I will structure exams to take about an hour and a half to complete and allow an extra 15 minutes to check answers and attend to any uploading issues. Students are expected to work on exams exclusively by themselves, without consulting other sources or students, and abiding by Penn's honor code.

The grades will be weighted using the the following metric:

- Homework (25%) - Each of the ten homeworks will then count towards 2.5% of your grade. I will replace your lowest homework score with the average of the other 9.
- Exams (75%) - I will weight your highest scoring exam 30%, middle score 25%, and your lowest scoring exam 20%. Note that this is ordered according to your own scores across the 3 exams, not their position within the class distribution.

Final grades will be assigned according to a curve. Do not panic if your numerical scores are low. About 35 - 40% of students will be in the A's, 50% B's, and the remainder C's and below. These fractions are not written in stone, and if the class is doing particularly well, you can expect a larger fraction of A's. Further, you will be guaranteed a score in the A range (A+, A, A-) if you achieve a raw score of 92 or more, and in the B range if you score 80 or more.

## 5 Content of Course and Schedule

This is an outline and schedule of the topics I intend to cover over the 5.5 weeks for Summer Session I from May 24th - June 30th 2021. The list of

topics may shift over that time frame as I may not be able to cover all of the material. Exam and homework dates, however, will NOT change in order to ensure there is sufficient material to evaluate students' performance by the end of the course, so you should plan your studying and schedules accordingly around that fixed timeline. I have split each week into thirds as if we were using an in-person MWF schedule. You can of course allocate your studying as you wish throughout the week, however, due to the accelerated nature of the course, following closely to the schedule in this format will be beneficial for avoiding lagging behind and preparing for upcoming assignments.

The following table indicates the timings for the mock timeline, the topics covered in lectures videos and slides as well as the assignments and exams, and the relevant complementary readings.

Timeline	Topic and Assignments/Exams	Readings
May 24	Introduction/Logistics and Measuring GDP and Growth	Chapter 6,7
May 26	Unemployment and Inflation	Chapters 8,9
May 27	<b>HW1</b>	
May 28	Trade Balances and Capital Flows	Chapter 10
May 31	Aggregate Expenditure Model; <b>HW2</b>	Appendix B
June 2	AD-AS Model; <b>HW3</b>	Chapter 11,12,13
June 3	<b>Exam 1</b>	
June 4	Business Cycle Policy	
June 7	Introduction to Growth; <b>HW4</b>	
June 9	Solow Model; <b>HW5</b>	
June 11	Growth Policy	
June 14	Monetary System; <b>HW6</b>	Chapter 14
June 15	<b>Exam 2</b>	
June 16	Credit Markets and Finance; <b>HW7</b>	Chapter 15
June 18	Banking	
June 21	Open Economy; <b>HW8</b>	Chapter 16
June 23	International Financial System; <b>HW9</b>	Chapter 20
June 25	Globalization	Chapter 21
June 28	Finishing Fiscal/Monetary Policy; <b>HW10</b>	
June 30	Conclusion & <b>Exam 3</b>	

If you have problems with any of the exam dates, please let me know within the first week of class, so that we may reach an accommodating

solution. Because homeworks are accessible and able to be completed on a fluid schedule, it is students' responsibility to submit those in a timely fashion. Be sure to familiarize yourself with the course schedule and solve any possible conflicts promptly.

## **6 Additional Notes**

This is an accelerated course fit into the shortened summer session schedule. As such, the pace that material and assignments will come and go is extremely fast. It is crucial that students maintain consistent study habits and engage with the lectures, Zoom Q&A's, and other material as they are released so as to not lag behind. There will be very little margin for catch up.

There are various important dates to keep track of regarding add/drop and withdrawing from classes. You can view them through the Penn academic calendar here - <https://summer.sas.upenn.edu/academic-calendar>

Special needs/arrangements: Reasonable accommodation will be made for those with special needs. Anyone eligible for special arrangements on examinations must make sure that I get a notification from the appropriate Penn office, as soon as possible. Please contact Student Disability services and make sure all the necessary administrative steps are taken. You must also send an email to me no later than seven days prior to the exam.