

San José State University
Department of Economics

Econ 102 - Macroeconomic Analysis Course No. 28496 Section 1, Spring 2023

Course and Contact Information

Instructor:	Justin Rietz
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Office Hours:	Tuesday and Thursday, 1:30 to 2:30pm and by appointment.
Class Days/Time:	Tuesday and Thursday, 3:00pm to 4:15 pm.
Classroom:	In Person: DMH 161
Prerequisites:	Econ 1A

Course Format

Faculty Web Page and MYSJSU Messaging

Course materials such as syllabus, handouts, notes, assignment instructions, etc. can be found on [Canvas Learning Management System course login website](#) at <http://sjsu.instructure.com>. You are responsible for regularly checking with the messaging system through [MySJSU](#) at <http://my.sjsu.edu> and your SJSU email to learn of any updates.

Course Description

Theory of aggregate demand and related topics: national income accounting, employment and inflation, monetary and fiscal policies, economic stability, growth, and balance of payments equilibrium.

Course Learning Outcomes (CLO)

This is a course in intermediate macroeconomics. Using models of the economy overall, it emphasizes the interrelationships among economic variables and the impact of public policy on those variables. By the end of the course, the student should have a good grasp of what we know and what we do not know about economic growth, sustained inflation, and the business cycle. Although this course touches on the full range of Economics PLOs, it emphasizes PLO2.

PL0 2. *Macroeconomics*: Apply tools from Intermediate Macroeconomics to modeling the economy overall and explaining the interrelationships among economic variables and discussing the impact of public policy on the economy.

PLO 5: *Communication*: Demonstrate efficient communication skills.

Upon successful completion of this course, students should be able to demonstrate the following:

CLO 1. Explain the relationship between economics and public policy.

CLO 2. Identify the macroeconomic aggregates that measure the price level, employment, and output and explain both their strengths and weaknesses.

CLO 3. Discuss what we know and what we do not know about economic growth.

CLO 4. Discuss what we know and what we do not know about sustained inflation.

CLO 5. Discuss what we know and what we do not know about the business cycle

Required Texts/Readings

Textbook

1. N. Gregory Mankiw, *Macroeconomics*, 11 th edn. (New York: Worth, 2010); ISBN-13: 978-1319106010.

Two notes:

- You may use the 9th or 10th edition of the textbook. You can find used copies of on many online bookstores.
- Don't confuse it with Mankiw's *Principles of Macroeconomics* which is an introductory textbook.

If you choose to use a different version of the texts, it is your responsibility to account for any differences in assigned readings and homework problems. See the "Mankiw Translation" document on Canvas.

Other Readings

Articles available online and/or Canvas.

Course Requirements and Assignments

Note that this is a FOUR unit course and therefore entails a significant amount of reading, more than you might encounter in non-econ classes. Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally three hours per unit per week) for instruction, preparation/studying, or course related activities, including but not limited to internships, labs, and clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus.

Final Examination or Evaluation

There will be a final exam for the course.

Grading Information

Determination of Grades

The final examination, which will be comprehensive, is worth 30% of your grade. points out of the total of 100 for the course. There are two midterm exams each worth 15% of your grade, and four homework assignments worth 5% each for a total of 20%. In addition, there will be twelve short, objective quizzes on Canvas based exclusively on assigned weekly readings worth another 20%. They will occur on the day the readings are due (accept where noted), and you may take it any time within 24 hours before class. The four lowest quiz scores will be dropped; however, **you must attempt at least 10 of the 12 quizzes**. There will be no make-ups for any quizzes. Cheating on homework, quizzes or exams will result in an automatic F.

97-100 A+	93-96 A	90-92 A-
87-89 B+	83-86 B	80-82 B-
77-79 C+	73-76 C	70-72 C-
67-69 D+	63-66 D	60-62 D-
below 60 F		

Final grades will be curved by taking the top score in the class as the total number of points. However, the curve will never hurt your grade. I do not round up grades, e.g. an 86.9 is a B, not a B+.

NOTE: I do not provide study guides. Instead, on Canvas I will provide one page unit outlines with key concepts and terms. Your lecture notes are your study guide.

Classroom Protocol

Students are encouraged to interrupt and ask questions. Moreover, as class participation helps enliven the course, students can earn up to five extra percent points toward their final grade.

If you experience any difficulty in this course, please do not hesitate to come to me for help. I am available during office hours and by appointment. However, I greatly appreciate questions asked during class – I guarantee that if you have a question, many of your classmates have the same one!

The use of phones, laptops, and tablets is prohibited in class, and I reserve the right to cold call anyone who is using one and reduce your final grade by 1 percentage point for each infraction. Studies have shown that students who take written lecture notes perform significantly better than those who use an electronic device. See “The Pen Is Mightier Than the Keyboard: Advantages of Longhand Over Laptop Note Taking” by Mueller and Oppenheimer (2014).

University Policies

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs’ [Syllabus Information web page](http://www.sjsu.edu/gup/syllabusinfo/) at <http://www.sjsu.edu/gup/syllabusinfo/>” Make sure to review these university policies and resources.

Course Schedule

Week	Date	Topics, Readings, Assignments, Deadlines
1	Jan 26	First Day of Class. Overview and Review
1	Jan 31	Topic: Measuring the Macroeconomy: Price Level and Inflation <u>Readings:</u> 1. Mankiw, chs. 1, 2 (sec 2-2)
2	Feb 2	Topic: Measuring the Macroeconomy: Price Level and Inflation
2	Feb 7	Topic: Measuring the Macroeconomy: Unemployment <u>Readings:</u> 1. Mankiw, ch 2 (sec 2-3), ch. 7

Week	Date	Topics, Readings, Assignments, Deadlines
		2. “Economics in Action: GNP, Leisure, and Social Welfare”: summary of William Nordhaus and James Tobin, “Is Growth Obsolete,” in Fiftieth Anniversary Colloquium, Economic Research: Retrospect and Prospect, v. 5: Economic Growth (New York: National Bureau of Economic Research, 1972).
3	Feb 9	Topic: Measuring the Macroeconomy: Unemployment
3	Feb 14	Topic: Measuring the Macroeconomy: National Income <u>Readings:</u> 1. Mankiw, ch 2 (sec 2-1), ch 3 2. Hans Rosling, “The Joy of Statistics,” five-minute BBC video (November 2010): https://www.youtube.com/watch?v=jbkSRLYSojo
4	Feb 16	Topic: Measuring the Macroeconomy: National Income - Homework #1 due Feb 19 th .
4	Feb 21	Topics: Economic Growth <u>Readings:</u> 1. Mankiw, chs. 8 2. “Economic Freedom: Of Liberty and Prosperity,” The Economist, 338 (January 13-19, 1996), 21-23. 3. “The Magic Washing Machine”, Hans Rosling, https://www.youtube.com/watch?v=BZoKfap4g4w
5	Feb 23	Topics: Economic Growth
5	Feb 28	Topics: Economic Growth <u>Readings:</u> 1. Mankiw Ch 9 (sec 9-2 to 9-4) Ch 10. 2. Ben Powell “Some implications of capital heterogeneity.”
6	Mar 2	Topics: Economic Growth - Homework #2 due March 5
6	Mar 7	First Exam Review
7	Mar 9	First Exam
7	Mar 14	Topics: Monetary Theory <u>Readings:</u> 1. Mankiw, chs. 4. 2. Roger Thurow, “In Romania, Smoking a Kent Cigarette is Like Burning Money,” Wall Street Journal, (3 January 1986). 3. Angell “The Story of Money.”
8	Mar 16	Topics: Monetary Theory
8	Mar 21	Topics: Monetary Theory 1. Mankiw, chs. 5.
9	Mar 23	Topics: Monetary Theory - <u>Homework #3 due March 26</u>
9	Mar 28	SPRING BREAK – NO CLASS

Week	Date	Topics, Readings, Assignments, Deadlines
10	Mar 30	SPRING BREAK – NO CLASS
10	Apr 4	Topics: Public Policy Readings: (NOTE: QUIZ ON THURSDAY) 1. Yandell - On Bootleggers & Baptists 2. Steele - Posing the Problem The Impossibility of Economic Calculation under Socialism
11	Apr 6	Topics: Public Policy QUIZ DUE
11	Apr 11	Review for 2 nd Exam
12	Apr 13	2 nd Exam
12	Apr 18	Topics: Macroeconomic Modeling: Aggregate Supply – Aggregate Demand <u>Readings:</u> 1. Mankiw ch. 11
	Apr 20	Topics: Macroeconomic Modeling: AS - AD
13	Apr 25	Topics: Macroeconomic Modeling : AS – AD and the Phillips Curve <u>Readings:</u> 1. Mankiw ch. 15 2. On Canvas: Mankiw Ch. 19 from 6 th Edition: “Advances in Business Cycle Theory,” pp. 528-46. 3. Cowen and Tabarrok Ch. 12, “Business Fluctuations and the Dynamic Aggregate Demand-Aggregate Supply Model” 4. Cowen and Tabarrok Ch. 12 Appendix
13	Apr 27	Macroeconomic Modeling: AS – AD and the Phillips Curve
14	May 2	Topics: The Business Cycle: Monetary Policy <u>Readings:</u> 1. Mankiw ch. 17 2. David Wessel, “Could One Little Rule Explain All of Economics?” Wall Street Journal (7 February 2000) 3. Milton Friedman, “The Fed’s Thermostat,” Wall Street Journal, (19 August 2003): A8. 4. MR University videos under “Business Cycle Theories” in menu on right hand side of page: https://mru.org/courses/principles-economics-macroeconomics/gross-domestic-product-definition-what-is-gdp 5. How the Fed Implements Monetary Policy with Its Tools: https://www.stlouisfed.org/in-plain-english/the-fed-implements-monetary-policy
14	May 4	Topics: The Business Cycle
15	May 9	Topics: The Business Cycle: Government Debt <u>Readings:</u> 1. Mankiw ch. 18, Epilogue 2. Hummel - “Why Default on U.S. Treasuries is Likely” (August 2009), available at http://www.econlib.org/library/Columns/y2009/Hummeltbills.html .

Week	Date	Topics, Readings, Assignments, Deadlines
		3. Cochrane “The Failure of Macroeconomics” Wall Street Journal
15	May 11	Topics: The Business Cycle - Homework #4 due May 14
	May 19	Final: 2:45-5:00 PM To verify date and time, see https://www.sjsu.edu/classes/final-exam-schedule/spring-2023.php