

INTRODUCTION TO MACROECONOMICS

21:220:102:02

Term: FALL 2021

Professor MARIANA SPATAREANU

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In order to protect the health and well-being of all members of the Rutgers-Newark community, masks must be worn by all persons inside campus buildings when in the presence of others, and in buildings in non-private enclosed settings (e.g., common workspaces, workstations, meeting rooms, classrooms, etc.). Masks should securely cover the nose and mouth. **Masks must be worn during class meetings**. Each day before you arrive on campus or leave your residence hall, you must complete the brief survey on the My Campus Pass symptom checker self-screening app found at: [myRutgers Portal](#).

Class Schedule:

Mondays/Wednesdays: 10:00 AM - 11:20 AM

Classroom: TBD

Office hours: Mondays 11:30am – 12:30am

Maria Hatalis is the **Teaching Assistant** for the course. She is available by email, and will hold office hours as well: Mh1166@business.rutgers.edu

Textbook: *Macroeconomics*, by Michael Parkin, Addison Wesley, Pearson Education, 13th Edition, 2019.

Additional recommended readings: The Economist, The Wall Street Journal and The New York Times.

Learning Objectives: Welcome to ECON 102! This course is an introduction to Macroeconomics. Macroeconomics is the study of economic aggregates in the short run and in the long run. In the short run, we study the determinants of the business cycle (recessions and expansions) and in the long run we study the determinants of living standards and the rate of economic growth. In both the short and long run, attention is paid to the impact of government policies (monetary and fiscal) on economic aggregates. At the end of the semester you should have acquired a good understanding of the broad and dynamic field of Macroeconomics in today's global environment.

Specific learning goals:

1. Students should be able to identify, define and interpret important economic aggregates like GDP, national income, consumption, saving, investment, employment and unemployment, price

levels and inflation, nominal and real interest rates, exchange rates, trade balances, budget deficits and surpluses.

2. Students should be able to explain what determines the level of aggregate output and employment in the short run; they should also be able to explain the main determinants of short run fluctuations in output (recessions and expansions).

3. Students should be able to explain the main determinants of a country's standard of living in the long run and identify the main factors contributing to economic growth.

4. Students should be able to explain how the level of prices is determined in the short run and in the long run. They should also be able to explain the economic costs of both inflation and deflation.

5. Students should be able to explain the role of banks and the financial system in the macro economy. They should be able to explain the role of money in an economy and explain how commercial banks and the Federal Reserve create money.

6. Students should be able to explain the role of monetary and fiscal (tax and spending) policy in contributing to economic stability in the short run and economic growth in the long run.

7. Students should explain the importance of international trade and its impact upon a country's economic aggregates.

Grading:

The course grade will be based on 5 homework assignments, 2 midterm exams, and 1 final exam.

Final grade breakdown:

Homeworks	10%
Midterms (2*25% each):	50%
Final exam:	40%
Total	100%

Exam dates (*tentative dates*): Midterm 1 – October 6th (10:00pm - 11:20 pm)
Midterm 2 – November 22nd (10:00pm - 11:20 pm)
Final Exam - to be determined by FASN

Homeworks:

There will be 7 homework assignments during the semester, one every other week. Only your best 5 scores will be used to calculate your final grade. Homeworks will be completed online, through Canvas.

You may work on the homeworks together, but each person must have their own account and submit their own answers. All homeworks must be submitted by the due date; failure to complete

the homework will result in a zero for that assignment.

Exams:

Exams will consist of multiple-choice questions and application questions like those in the homework assignments. The midterm and the final exams must be taken at the dates and times given in the schedule above. There are NO make-up exams!

There is NO extra credit for any work that is not required from all students. Please do NOT request differential treatment to boost your grades.

Bonus points - Quizzes:

There will be a few unannounced quizzes. Each quiz will have three questions from the material covered during the *previous* class. If you answer correctly to two out of the three questions you will get one extra point per quiz added to your overall score. There is no penalty if you do not take the quiz.

Class Participation:

I expect you to attend *all* lectures, to prepare in advance, and to participate actively in class discussions.

Course Outline:

This schedule is subject to change during the semester, based on the overall pace of the class.

Part One. Introduction

- Chapter 1. What Is Economics?
- Chapter 2. The Economic Problem
- Chapter 3. Demand and Supply

Part Two. Monitoring Macroeconomic Trends and Fluctuations

- Chapter 4. Measuring GDP and Economic Growth
- Chapter 5. Monitoring Jobs and Inflation

Part Three. Macroeconomic Trends

- Chapter 6. Economic Growth
- Chapter 7. Finance, Saving, and Investment
- Chapter 8. Money, the Price Level, and Inflation

Part Four. Macroeconomic Fluctuations

- Chapter 10. Aggregate Supply and Aggregate Demand
- Chapter 11. Expenditure Multipliers: The Keynesian Model

Chapter 12. U.S. Inflation, Unemployment, and Business Cycle

Part Five. Macroeconomic Policy

Chapter 13. Fiscal Policy

Chapter 14. Monetary Policy