

San José State University
Department of Economics

Econ 102 - Macroeconomic Analysis Course No. 28451 Section 2, Spring 2020

Course and Contact Information

| | |
|------------------|--|
| Instructor: | Justin Rietz |
| Office Location: | DMH 143 |
| Telephone: | (408) 924-5416 |
| Email: | justin.rietz@sjsu.edu |
| Office Hours: | Mondays and Wednesdays 1:30pm – 2:30pm and by appointment. |
| Class Days/Time: | Mondays and Wednesdays, 3:00pm to 4:15 pm. |
| Classroom: | DMH 166 |
| 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](http://sjsu.instructure.com) at <http://sjsu.instructure.com>. You are responsible for regularly checking with the messaging system through [MySJSU](http://my.sjsu.edu) 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*, 9th edn. (New York: Worth, 2010); ISBN-13: 978-1464182891.

Two notes:

- You may use an older version of the textbook. You can find used copies of *Macroeconomics* 7th edition on many online bookstores, including [Amazon](http://amzn.to/2b1b1FV) at <http://amzn.to/2b1b1FV>, typically for under \$10.
 - Don't confuse it with Mankiw's *Principles of Macroeconomics* which is an introductory textbook.
2. Todd G. Buchholz, *New Ideas from Dead Economists: An Introduction to Modern Economic Thought*, rev. edn. (New York: Plume, 2007); ISBN-13: 978-0452288447.

If you choose to use a different version of either of the texts, it is your responsibility to account for any differences in assigned readings and homework problems.

Other Readings

Econ 102 Course Reader, available at Maple Press, 330 South 10th Street.

Course Requirements and Assignments

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 points out of the total of 100 for the course. There are two midterm exams worth 15 points each, and four online homework assignments worth 5 point each for a total of 20 points. In addition, there will be twelve short, objective quizzes based exclusively on assigned weekly readings worth another 20 points. Each quiz individually is worth 2.5 points, allowing students to drop or miss four out of the twelve quizzes. There will be no make-ups for any quizzes. Cheating on homework, quizzes or exams will result in an automatic F for the entire course.

| | | |
|------------|---------|----------|
| 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. 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+.

I do not provide study guides. Instead, I will hand out brief, unit outlines with key concepts and terms.

Classroom Protocol

The use of laptops, tablets, or other electronic device is prohibited in class. Studies have proven that students who take notes on these devices *significantly* impair their comprehension of the material and disturb other students. Therefore, you need to come prepared to take hand-written notes. Those who violate this policy will have a half a percentage point deducted from their final grade for the course for *each infraction*.

Because class participation helps enliven the course, it is greatly appreciated and can earn students up to one extra point 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!

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 Units:

- I. Fundamentals of Public Policy.
- II. Measuring the Macroeconomy.
- III. Economic Growth.
- IV. Monetary Theory.
- V. Modeling the Macroeconomy.
- VI. The Business Cycle: Causes and Cures.
- VII. The International Economy (if time).

**Econ 102 – Intermediate Macroeconomics,
Course No. 23946, Spring 2020
Course Schedule**

| Week | Date | Topics, Readings, Assignments, Deadlines |
|------|--------|--|
| 1 | Jan 27 | First Day of Class. Overview |
| 1 | Jan 29 | Topic: Microeconomic Review |
| 2 | Feb 3 | Topic: Public Choice <u>Readings:</u> 1. Buchholz, preface, chs. 1-4. 2. Leonard Read, “I, Pencil,” <i>The Freeman</i> , (December 1958); abridged version available at http://fee.org/freeman/i-pencil . 3. Ch. 17, “Market Failures,” from David D. Friedman, <i>Price Theory</i> . pp. 411-30. |
| 2 | Feb 5 | Topic: Public Choice |
| 3 | Feb 10 | Topic: General Equilibrium and Socialist Calculation Debate <u>Readings:</u> 1. Buchholz, chs. 5-8. |
| 3 | Feb 12 | Topic: General Equilibrium and Socialist Calculation Debate |
| 4 | Feb 17 | Topic: Macroeconomic Data and Inflation <u>Readings:</u> 1. Mankiw, chs. 1, 2. 2. Dave Barry, “Farm Security: The Mohair of the Dog that Bites You,” <i>Miami Herald</i> , (23 June 2002). 3. Bruce Yandle, “Bootleggers and Baptists—The Education of a Regulatory Economist,” <i>Regulation</i> , 7 (May/June 1983), 12-16. 4. Scott Alexander, “Reverse Voxsplaining: Drugs vs. Chairs,” <i>Slate Star Codex</i> blog (August 29, 2016): http://slatestarcodex.com/2016/08/29/reverse-voxsplaining-drugs-vs-chairs/ . 5. Buchholz, pp. 253-71 from ch. 11. |
| 4 | Feb 19 | Topic: Macroeconomic Data and Inflation |
| 5 | Feb 24 | Topic: National Income <u>Readings:</u> 1. Mankiw, chs. 3, 7 (except pp. 56-8 on Cobb-Douglas). 2. “Economics in Action: GNP, Leisure, and Social Welfare”: summary of William Nordhaus and James Tobin, “Is Growth Obsolete,” in Fiftieth Anniversary Colloquium, <i>Economic Research: Retrospect and Prospect</i> , v. 5: Economic Growth (New York: National Bureau of Economic Research, 1972). |
| 5 | Feb 26 | Topic: Unemployment |
| 6 | Mar 2 | First Exam Review |
| 6 | Mar 4 | First Exam |

| Week | Date | Topics, Readings, Assignments, Deadlines |
|------|--------|--|
| 7 | Mar 9 | Topics: Economic Growth <u>Readings:</u> 1. Mankiw, chs. 8, 9 (except the appendix). 2. Hans Rosling, “The Joy of Statistics,” five-minute BBC video (November 2010), http://www.youtube.com/watch?v=jbkSRLYSojo&feature=player_embedded#! 3. “Economic Freedom: Of Liberty and Prosperity,” <i>The Economist</i> , 338 (January 13-19, 1996), 21-23. |
| 7 | Mar 11 | Topics: Economic Growth |
| 8 | Mar 16 | Topics: Money and Inflation <u>Readings:</u> 1. Mankiw, chs. 4, 5. 2. Roger Thurow, “In Romania, Smoking a Kent Cigarette is Like Burning Money,” <i>Wall Street Journal</i> , (3 January 1986). 3. Pp. 88-89 from Norman Angell, <i>The Story of Money</i> (New York: Garden City, 1929). |
| 8 | Mar 18 | Topics: Money and Inflation |
| 9 | Mar 23 | Topics: Money and Inflation <u>Readings:</u> 1. Buchholz, chs. 9-10. 2. David Kelley and Jeff Scott, “Gekko Echo: A Closer Look at the ‘Decade of Greed’,” <i>Reason</i> , 24 (February 1993), 30-37. |
| 9 | Mar 25 | Topics: Money and Inflation |
| 10 | Mar 30 | Spring Break |
| 10 | Apr 2 | Spring Break |
| 11 | Apr 7 | Topics: Macroeconomic Modeling <u>Readings:</u> 1. Mankiw, ch. 10, 14 (except the appendix) 2. Ch. 12, “Business Fluctuations and the Dynamic Aggregate Demand-Aggregate Supply Model,” from Tyler Cowen and Alex Tabarrok, <i>Modern Principles: Macroeconomics</i> , 1st edn. (New York: Worth, 2009), pp. 241-67, available as two pdf files that will be posted to Canvas. 3. Buchholz, pp. 271-82 from ch. 11. |
| 11 | Apr 9 | Topics: Macroeconomic Modeling |
| 12 | Apr 14 | Review |
| 12 | Apr 16 | Second Exam |
| 13 | Apr 21 | Topics: Macroeconomic Modeling 1. Mankiw, pp. 415-16 and ch. 15 (except the appendix); |
| 13 | Apr 23 | Topics: Macroeconomic Modeling |
| 14 | Apr 28 | Topics: Business Cycles <u>Readings:</u> |

| Week | Date | Topics, Readings, Assignments, Deadlines |
|------------|--------|---|
| | | 1. Buchholz, ch. 12; 2. David Wessel, "Could One Little Rule Explain All of Economics?" Wall Street Journal (7 February 2000). 4. Milton Friedman, "The Fed's Thermostat," Wall Street Journal, (19 August 2003): A8. |
| 14 | Apr 30 | Topics: Business Cycles |
| 15 | May 4 | Topic: Fiscal Policy and Government Debt <u>Readings:</u> 1. Mankiw, ch. 18 and 19 2. Ch. 19, "Advances in Business Cycle Theory," from N. Gregory Mankiw, Macroeconomics, 6th edn. (New York: Worth, 2007), pp. 528-46, available as a pdf file that will be emailed to all students. 3. Jeffrey Rogers Hummel, "Why Default on U.S. Treasuries is Likely," Library of Economics and Liberty (August 2009), available at http://www.econlib.org/library/Columns/y2009/Hummeltbills.html . |
| 15 | May 6 | Topic: International Economy Readings 1. Mankiw Chapter 6 |
| 16 | May 11 | Review |
| Final Exam | Dec 11 | Wednesday, May 13 th at 12:15pm -2:30pm http://info.sjsu.edu/static/catalog/final-exam-schedule-spring.html) |