

ECN 320, INTERMEDIATE MACROECONOMICS

Spring 2020

12:30 pm - 1:25 pm, MWF, in Franz 038

INSTRUCTOR:	Todd Easton	OFFICE HOURS:	
OFFICE:	Franz 312	MONDAY:	1:30-3:00 pm
OFFICE PHONE:	503/943-7209	WEDNESDAY	2:00-3:00 pm
HOME PHONE:	503/234-2453	FRIDAY:	1:30-3:00 pm
EMAIL:	easton@up.edu	OR	by appointment

Course Prerequisite: ECN 120 & ECN 121

Course Description:

This course studies macroeconomic theories, including those about the determinants of output, the unemployment rate, and the inflation rate in the short run, and those about the rate of economic growth in the long run. The predictions of these theories will be contrasted with economic experience in the US and elsewhere, including the experience of the US and other countries in the Great Recession of 2008-2009 and in the subsequent slow recovery.

Learning Goals Addressed:

✓	Communication Competencies Students write a summary of a journal article on macroeconomics..
	Problem Recognition, Prioritization, and Decision-Making Competencies -
	Ethics and Social Responsibility Competencies
	Leadership, Team and Interpersonal Competencies
	Business Knowledge Competencies

Course objectives

By the end of the semester, I aim for you to:

- 1) understand the economic concepts and theories taught,
- 2) apply these economic concepts and theories to new situations,
- 3) be able to find, download, and interpret macroeconomic data, and
- 4) develop the ability to make sense of non-textbook writing by economists on the macroeconomy.

Text and other reading:

The required text is by a fine MIT economist who recently served seven years as Director of Research at the International Monetary Fund.

Olivier Blanchard, *Macroeconomics*, 7th edition, ISBN: 978-0133780581

Along with the text, you need access to an online resource called MyEconLab. Access to MyEconLab can be purchased online for \$70.

Below I provide a *provisional* schedule of text reading assignments.

Three things you should know about that schedule:

- 1) For a given date, the schedule indicates the reading you should prepare for that day's class.
- 2) To gain access to non-text reading assignments, go to our course Moodle page and click on the "Course Calendar" link near the top. Then, go to the relevant class day and click on the link for the desired assignment.

3) Additional reading or viewing may be assigned later. If it is, I will update the “Course Calendar” page.

Course Requirements:

This section describes what the course asks of you and how I will calculate your class grade. These arrangements are provisional; I may change them—after consulting with you—if I think the changes will promote learning. The three boxes below explain how your performance will determine your course grade. That grade will be an average of your grades on six class elements. The first box below shows each element and how it will be weighted in this average. The second box shows the number equivalent I use for each grade. Once I calculate the weighted average, I need to translate it into a letter grade. The third box shows how I do this.

Elements	Weights
Class participation	15%
Homework assignments	20%
Article summary	15%
Midterm Exam #1	15%
Midterm Exam #2	15%
Final exam	20%
Total	100%

Grade	Number Equivalent
A+	4.3
A	4.0
A-	3.7
B+	3.3
B	3.0
B-	2.7
C+	2.3
C	2.0
C-	1.7
etc.	

Weighted Average	Class Grade
3.85 or higher	A
3.50 – 3.84	A-
3.15 – 3.49	B+
2.85 – 3.14	B
2.50 – 2.84	B-
2.15 – 2.49	C+
1.85 – 2.14	C
1.50 – 1.84	C-
etc.	

Participation

I expect and encourage all students to participate during class or on the course Moodle forum. Your participation will contribute to your understanding of macroeconomics and to other students' enjoyment and understanding of the course. It will also help me be cheerful and enthusiastic. *Fabulous* participation would include:

- doing the reading carefully and promptly,
- asking questions to clarify points I make or points made in the reading,
- correctly answering questions I pose,
- attending class regularly and punctually,
- preparing answers to “take-home” questions,
- responding promptly to my emails, and
- sharing relevant economic news.

Doing this will earn you an A+ for participation. On the other hand, if you miss many classes, never speak up, and never contribute on Moodle, you will earn an F.

Homework assignments

Most students find macroeconomic theory quite challenging. I hope homework assignments will nudge you to make the consistent effort required to do well in the course. They will also give me a way to monitor your progress between exams.

Most homework assignments will be on MyEconLab. These assignments will be due on the Sunday after we have completed the relevant chapter, usually at 9 pm. For example, we will complete Chapter 2, Friday, January 17th. The associated MyEconLab homework assignment is due Sunday, January 19th.

When I calculate your grade on homework assignments, I will first throw out your two lowest score. After that, I will calculate the average percentage of total points earned for the remaining problem sets. Averaging 90% will earn you an “A”, 80% will earn you a “B,” 70 % a “C,” *et cetera*. I drop two scores to take into account inevitable computer-related problems. Software and WWW access are seldom flawless. For example, if you

cannot complete a problem set before the deadline because your computer crashes or the network goes down, dropping scores should protect your grade.

Article summary

The paper will be a short summary, 1,000 words or less, of an article or book chapter on a macroeconomic topic. An assignment sheet, a rubric, and other supporting materials are on Moodle.

Exams

Exams will consist of a mix of multiple choice and short answer/essay questions. Most of the stress will be on questions and issues discussed in class, but 10% of the weight will fall on material only covered in the reading or only mentioned briefly in class. Because reviewing material covered during the entire semester will help solidify your grasp of the course, the final exam will be comprehensive.

Course Calendar

Class, Day, Date	Topics, Reading, Activities, Assignments
1, Mon. Jan. 13	I. Introduction Chapter 1, "A Tour of the World"
2, Wed. Jan. 15	Chapter 2, "A Tour of the Book," pp. 21-31 Syllabus
3, Fri. Jan. 17	Chapter 2, "A Tour of the Book," pp. 31-38
Mon. Jan. 20	Martin Luther King Day
4, Wed. Jan. 22	II. The Short Run Chapter 3, "The Goods Market," pp. 45-57
5, Fri. Jan. 24	Chapter 3, "The Goods Market," pp. 58-64
6, Mon. Jan. 27	Chapter 4, "Financial Markets I," pp. 67-76
7, Wed. Jan. 29	Chapter 4, "Financial Markets I," pp. 76-82
8, Fri. Jan. 31	Chapter 5, "Goods and Financial Markets: the IS-LM Model," pp. 89-98
9, Mon. Feb. 3	Chapter 5, "Goods and Financial Markets: the IS-LM Model," pp. 99-106
10, Wed. Feb. 5	Chapter 6, Financial Markets II: the Extended IS-LM Model," pp. 111-123
11, Fri. Feb. 7	Chapter 6, Financial Markets II: the Extended IS-LM Model," pp. 123-130

12, Mon. Feb. 10	Midterm Exam #1
13, Wed. Feb. 12	III. The Medium Run Chapter 7, “The Labor Market,” pp. 135-147 Patricia Cohen, “ U.S. Added 266,000 Jobs in November ,” <i>New York Times</i> , Dec. 6, 2019
14, Fri. Feb. 14	Chapter 7, “The Labor Market,” 147-153 Sylvain Leduc, Chitra Marti, and Daniel J. Wilson, “ Does Ultra-Low Unemployment Spur Rapid Wage Growth? ,” <i>FRBSF Economic Letter</i> , pp. 1-5
15, Mon. Feb. 17	Chapter 8, “The Phillips Curve, the Natural Rate of Unemployment, and Inflation,” pp. 157-163
16, Wed. Feb. 19	Chapter 8, “The Phillips Curve, the Natural Rate of Unemployment, and Inflation,” pp. 163-172 <i>New York Times</i> , “ 6 Reasons that Pay Has Lagged Behind US Job Growth ,” February 1, 2018 Neil Irwin, “ How a Strong Job Market Has Proved the Experts Wrong ,” <i>New York Times</i> , December 6, 2019
17, Fri. Feb. 21	Chapter 9, “From the Short to the Medium Run: The IS-LM-PC Model,” pp. 177-186
18, Mon. Feb. 24	Chapter 9, “From the Short to the Medium Run: The IS-LM-PC Model,” pp. 186-193
19, Wed. Feb. 26	III. The Long Run Chapter 10, “The Facts of Growth”
20, Fri. Feb. 28	Chapter 11, “Saving, Capital Accumulation, and Output,” pp. 217-223 (and don't worry about algebra after Section 11.2)
March 2-6	Spring Vacation
21, Mon. March 9	Chapter 11, “Saving, Capital Accumulation, and Output,” "Focus box on Social Security," pp. 229-230 and pp. 234-236
22, Wed. March 11	Chapter 12, “Technological Progress and Growth,” pp. 241-242 [focus on $Y=F(K,N,A)$], 248-252 John Fernald and Bing Wang, “ The Recent Rise and Fall of Rapid Productivity Growth ,” FRBSF Economic Letter, February 9, 2015 Jason Douglas, Jon Sindreu, and Georgi Kantchev, “ World's Biggest Companies Hog Gains From Innovation ” <i>Wall Street Journal</i> , 16 July 2018 (If first link doesn't work, try this one .)
23, Fri. March 13	Read & experiment with simulation: Todd Easton, " Growth and Carbon Dioxide Emissions " Chapter 13, “Technological Progress: the medium run,” pp. 263-271
24, Mon. March 16	Chapter 13, “Technological Progress: the long run,” pp. 271-279
25, Wed. March 18	Midterm Exam #2

26, Fri. March 20	Chapter 14, “Financial Markets and Expectations,” pp.285-297 Watch: “Dynamic Yield Curve,” by StockCharts.com (Click on “Animate” button to see US Treasury Bond yield curves shift from January 1999 to now)
27, Mon. March 23	Chapter 15, “Expectations, Consumption, and Investment,” pp. 311-318
28, Wed. March 25	Chapter 15, “Expectations, Consumption, and Investment,” pp. 318-325
29, Fri. March 27	Last day to submit article for Article Summary for approval IV. The Open Economy Chapter 17, “Openness in Goods and Financial Markets,” pp. 347-358 (most important: understand real appreciations and real depreciations)
30, Mon. March 30	Chapter 17, “Openness in Goods and Financial Markets,” pp. 358-366 (most important: balance of payments, the choice between domestic and foreign assets, and Equation 17.4)
31, Wed. April 1	Chapter 18, “The Goods Market in an Open Economy,” pp. 369-379 (most important: the determinants of imports, Equation 18.2, and of exports, Equation 18.3)
32, Fri. April 3	Chapter 18, “The Goods Market in an Open Economy,” pp. 379-385 (most important: 3 channels through which a depreciation affects net exports & the J-curve)
33, Mon. April 6	Last day to see a Writing Assistant for extra credit (for the Article Summary) Chapter 19, “Output, the Interest Rate, and the Exchange Rate,” pp. 391-403
Tues. April 7	Founder’s Day <i>Go see seniors present their research!</i>
34, Wed. April 8	Article Summary due V. Back to Policy Chapter 22, “Fiscal Policy: A Summing Up,” pp. 453-457, 459-461, 463-464, and 471-472 (most important: "The Arithmetic of Deficits and Debt", "The Evolution of the Debt-to-GDP Ratio", "Deficits, Output Stabilization, and the Cyclically Adjusted Deficit," and "Should You Worry about US Public Debt?")
April 10-13	Easter Vacation
35, Wed. April 15	Fed policy in practice Todd Easton, “Monetary Policy, Interest Rates, and Aggregate Expenditure A simple account of how the Fed affects interest rates and picks its target for the federal funds rate (an introduction to Section 23.2 of our text) Jeanna Smialek, “Fed Chair Powell Says a Solid Labor Market Could Get Even Stronger,” Nov. 25, 2019 “FOMC Statement,” December 11, 2019
36, Fri. April 17	Chapter 23, “Monetary Policy: A Summing Up,” pp. 477-488

37, Mon. April 20	Chapter 23, “Monetary Policy: A Summing Up,” 488-494
38, Wed April 22	<p>Macro Policy for the Future</p> <p>Neil Irwin, “How to Prepare for the Next Recession: Automate the Rescue Plan,” <i>New York Times</i>, May 16, 2019</p> <p>Watch: Ben Bernanke, “What Can Central Banks Do To Manage the Next Financial Crisis?,” December 14, 2017</p> <p>Olivier Blanchard and Lawrence Summers, “What Have Economists Learned from the Global Financial Crisis?,” October 12, 2017</p>
39, Fri. April 24	Wrapping up
Mon, April 27	Final Exam: 1:30-3:30 pm

University Policies and Resources

University of Portland’s Code of Academic Integrity

Academic integrity is openness and honesty in all scholarly endeavors. The University of Portland is a scholarly community dedicated to the discovery, investigation, and dissemination of truth, and to the development of the whole person. Membership in this community is a privilege, requiring each person to practice academic integrity at its highest level, while expecting and promoting the same in others. Breaches of academic integrity will not be tolerated and will be addressed by the community with all due gravity.

Assessment Disclosure Statement

Student work products for this course may be used by the University for educational quality assurance purposes.

Accessibility Statement

The University of Portland endeavors to make its courses and services fully accessible to all students. Students are encouraged to discuss with their instructors what might be most helpful in enabling them to meet the learning goals of the course. Students who experience a disability are also encouraged to use the services of the Office for Accessible Education Services (AES), located in the Shepard Academic Resource Center (503-943-8985). If you have an AES Accommodation Plan, you should make an appointment to meet with your faculty member to discuss how to implement your plan in this class. Requests for alternate location for exams and/or extended exam time should, where possible, be made two weeks in advance of an exam, and must be made at least one week in advance of an exam. Also, you should meet with your faculty member to discuss emergency medical information or how best to ensure your safe evacuation from the building in case of fire or other emergency.

Mental Health Statement

As a college student, you may sometimes experience problems with your mental health that interfere with academic experiences and negatively impact daily life. If you or someone you know experiences mental health challenges at UP, please contact the University of Portland Health and Counseling Center in Orrico Hall (down the hill from Franz Hall and Mehling Hall) at www.up.edu/healthcenter or at 503-943-7134. Their services are free and confidential, and if necessary they can provide same day appointments. In addition, after-hours phone counseling is available if you call 503-943-7134 and press 3 outside of business hours. Also know that the University of Portland Public Safety Department (503-943-4444) has personnel trained to respond sensitively to mental health emergencies at all hours. Remember that getting help is a smart and courageous thing to do – for yourself, for those you care about, and for those who care about you.

Non-Violence Statement

The University of Portland is committed to fostering a community free from all forms of violence in which all members feel safe and respected. Violence of any kind, and in particular acts of power-based personal violence, are inconsistent with our mission. Together, we take a stand against violence. Join us in learning more about campus and community resources, UP's prevention strategy, and reporting options on the [Green Dot website](http://www.up.edu/greendot), www.up.edu/greendot or the [Title IX website](http://www.up.edu/titleix), www.up.edu/titleix.

Ethics of Information

The University of Portland is a community dedicated to the investigation and discovery of processes for thinking ethically and encouraging the development of ethical reasoning in the formation of the whole person. Using information ethically, as an element in open and honest scholarly endeavors, involves moral reasoning to determine the right way to access, create, distribute, and employ information including: considerations of intellectual property rights, fair use, information bias, censorship, and privacy. More information can be found in the Clark Library's guide to the [Ethical Use of Information](http://libguides.up.edu/ethicaluse) at libguides.up.edu/ethicaluse.

The Learning Commons

Trained peer tutors and writing assistants in the Learning Commons, located in Buckley Center 163, work with you to facilitate your active learning and mastery of skills and knowledge. For questions about the Learning Commons, please send all correspondence to Jeffrey White, Administrator, at white@up.edu. The Learning Commons is a program of the Shepard Academic Resource Center (SARC.)

Math Resource Center: Appointment-based tutoring is available through our online scheduler at www.bit.ly/up_mrc. Walk-in tutoring Sundays through Thursdays evenings. For MTH 141, request appointments at math141@up.edu. The course-specific schedule can be found at www.up.edu/learningcommons, or the reception desk in BC 163.

Writing Assistance: Brainstorming ideas for your paper, create an outline, work on citations, or review a draft with a Writing Assistant. Visit www.up.edu/learningcommons to access our Writing Center schedule.

The Language Studio: Contact the language assistance hotlines to schedule a time to meet throughout the semester at chinesetutor@up.edu, frenchtutor@up.edu, germantutor@up.edu, or spanishtutor@up.edu.

Natural Sciences Center: Send your tutoring requests to biotutor@up.edu, chemtutor@up.edu, or physicstutor@up.edu.

Speech & Presentation Lab: Improve your presentations by requesting an appointment at speech@up.edu.

Group Work Lab: Make an appointment for your group project at groupwork@up.edu.

Nursing Tutoring: Tutoring is available for pathophysiology, BIO205, anatomy and physiology, and other nursing courses on a walk-in or appointment basis. Up-to-date schedule information is at www.up.edu/learningcommons/nursing.

Economics and Business Tutoring: For support in economics, OTM, finance, accounting, and business law courses, send requests for appointments to your discipline's tutor email hotline: econtutor@up.edu, otmtutor@up.edu, financetutor@up.edu, accountingtutor@up.edu, or bizlaw@up.edu.

Shiley Sophomore Fellows: Provides tutoring in several sophomore engineering classes. To make an appointment, send a request to stepUP@up.edu.

Learning Assistance Counselor: Learning assistance counseling is also available in BC 163. The counselor teaches learning strategies and skills that enable students to become more successful in their studies and future professions. The counselor provides strategies to assist students with reading and comprehension, note-taking and study, time management, test-taking, and learning and remembering. Appointments can be made in the on-line scheduler available to all students in Moodle or during posted drop-in hours.