

# ECON 2020. PRINCIPLES OF MACROECONOMICS

Spring 2021

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<b>Instructor:</b> Ivan Mendieta-Muñoz, Ph.D.	<b>Time:</b> TuTh, 2 p.m.-3:20 p.m.
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## Contact information:

Office: Suite 4100, Office 4230, 260 Central Campus Drive, Gardner Commons.

Phone number (Economics office): (+1) 801-581-7481.

Consultation hours: By appointment.

[Personal website](#)

[University website](#)

**Course Page:** [Canvas](#)

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**Prerequisites:** An elementary understanding of algebra and geometry.

**Course Description and Objectives:** This course will introduce you to economic (scientific) thinking and the main macroeconomic principles and theories. The main goal of this course is to teach you to think about macroeconomic issues analytically. We will use economic history as well as basic algebra, calculus (barely), and graphical analysis. In order to grasp contemporary debates related to the way economies and economic policies work in the real world, we will also present content from a variety of sources including economic journals, blogs and newspapers.

At the completion of this course, students:

1. Are expected to understand the essential macroeconomic principles that underlie the workings of the different markets in a modern economy (goods market, the money market, and the labor market).
2. Understand the basic mechanisms and channels through which fiscal and monetary policies affect the macroeconomy.
3. Be familiar with current economic debates on macroeconomic policy intervention.
4. Understand how to use simple macroeconomic models to analyze an economy and to analyze the effects of different shocks on output, employment, and inflation rates.

**Learning Outcomes:**

1. *Inquiry and Analysis:* There are competing theories of what causes unemployment, inflation, business cycles, and economic crises, and the appropriate remedies to these problems. This course will introduce the core analytical elements in order to understand these discussions.
2. *Critical Thinking:* The emphasis will be on how to obtain logical conclusions derived from macroeconomic models.
3. *Quantitative Literacy:* Students will also develop quantitative skills that will allow them to understand graphical, logical and numerical relationships between macroeconomic variables.

**Required Textbook:**

- McConnell, Campbell R., Brue, Stanley L., and Flynn, Sean M. (2021). *Economics*. McGraw-Hill: New York City. 22nd Edition.

We will only follow the most recent edition (22nd). You are encouraged to take advantage of the *inclusive access program*, a course materials program launched by the University of Utah Campus Store that aims at providing instantly accessible, interactive digital course materials/textbooks; while also reducing the cost to students. More information can be found [here](#).

**Course Requirements:** The course will follow the main textbook closely. The lectures cover only the key points of each of the chapters, so it is important that you follow closely the reading assignments for each class.

**University Policies:**

1. **The Americans with Disabilities Act.** The Department of Economics at the University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you need accommodations in this class, reasonable prior notice needs to be given to the instructor and to the Center for Disability Services (162 A. Ray Olpin Student Union Building, 581-5020 (V/TDD)) to make arrangements for accommodations (more information can be found [here](#)). All written information in this course can be made available in an alternative format with prior notification to the Center for Disability Services.
2. **University Safety.** The University of Utah values the safety of all campus community members. To report suspicious activity or to request a courtesy escort, call campus police at 801-585-COPS (801-585-2677). You will receive important emergency alerts and safety messages regarding campus safety via text message. More information regarding safety and to view available training resources (including helpful videos) can be found [here](#).
3. **Addressing Sexual Misconduct.** Title IX makes it clear that violence and harassment based on sex and gender (which includes sexual orientation and gender identity/expression) is a civil rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, color, religion, age, status as a person with a disability, veteran's status or genetic information. If you or someone you know has been harassed or assaulted, you are encouraged to report it to the Title IX Coordinator in the Office of Equal Opportunity and Affirmative Action, 135

Park Building, 801-581-8365, or the Office of the Dean of Students, 270 Union Building, 801-581-7066. For support and confidential consultation, contact the Center for Student Wellness, 426 SSB, 801-581-7776. To report to the police, contact the Department of Public Safety, 801-585-2677(COPS).

4. **Undocumented Student Support.** Immigration is a complex phenomenon with broad impact —those who are directly affected by it, as well as those who are indirectly affected by their relationships with family members, friends, and loved ones. If your immigration status presents obstacles to engaging in specific activities or fulfilling specific course criteria, confidential arrangements may be requested from the Dream Center. Arrangements with the Dream Center will not jeopardize your student status, your financial aid, or any other part of your residence. The Dream Center offers a wide range of resources to support undocumented students (with and without DACA) as well as students from mixed-status families. To learn more, please contact the Dream Center at 801.213.3697 or visit the [Dream Center website](#).

**Exams and Grading Policy:** The course grade will be based on five homework assignments and two take-home exams. Therefore:

Homework Assignments (30%) + Midterm Exam #1 (35%) + Midterm Exam #2 (35%)

There will be no make-up exams and late assignments will not get credit except in the cases of:

1. *Medical emergencies.*
2. *Officially sanctioned University activities.*
3. *Religious obligations.*

As indicated in PPM 9-7 Sec 15, the appropriate unit should provide a written statement for the reason of absence. In cases 2 and 3, students should get in touch with me at least one week before the exam and reschedule the examination. Students will not be assigned extra credit work to improve their grades. Senior class students' work will not be graded differently.

Attendance is optional. However, attendance has a positive correlation with success on the class tests.

Grading system follows the university standards:

- Excellent, superior performance: A (93-100%), A- (90-92.9%)
- Good performance: B+ (88-89.9%), B (82-87.9%), B- (80-81.9%)
- Standard performance: C+ (76-79.9%), C (69-75.9%), C- (65-68.9%)
- Substandard performance: D+ (61-64.9%), D (54-60.9%), D- (50-53.9%)
- Unsatisfactory performance: E (0-49.9%)

**Important dates:**

NO CLASSES .....	Tuesday, January 19
Homework Assignment #1 .....	Tuesday, February 9
Homework Assignment #2 .....	Tuesday, February 23
Revision Session #1 (Midterm Exam #1) .....	Thursday, March 4
Midterm Exam #1 .....	Tuesday, March 9
Homework Assignment #3 .....	Tuesday, March 23
Homework Assignment #4 .....	Tuesday, April 6
Homework Assignment #5 .....	Tuesday, April 20
Revision Session #2 (Midterm Exam #2) .....	Tuesday, April 27
Midterm Exam #2 .....	Thursday, April 29

**Class Rules:**

1. We will use Canvas and, in general, rely on online modes of delivery, communication and engagement.
2. It is your responsibility to keep up with the class.
3. I encourage student cooperation in homework assignments and take-home exams. However, each student must present her own assignment. Duplication of the same assignment under different names is not acceptable and is considered cheating. Cheating in homework assignments or exams and other types of academic misconduct will be dealt with in accordance with the University regulations. Full details on procedures and penalties can be found [here](#). Punishments can be severe, so don't do it.
4. Both the take-home exams and homework assignments need to be submitted electronically via Canvas.
5. Come to class in time.
6. Read the assigned material in advance and familiarize with the subject before the lecture.
7. Turn off your cell phones and remove them from your desk.
8. Do not believe any of the economics you read in the textbook or elsewhere. Learn it well and critically.
9. Do not believe any of the economics I present in class. Learn it well and critically.

**Course Outline:** The following outline is approximate. We may slow down or speed up in accordance with the needs and demands of the class.

1. **An Introduction to Macroeconomics:** Lecture 1; Chapter 26
2. **Measuring Domestic Output and National Income:** Lecture 2; Chapter 27
3. **Economic Growth:** Lecture 3; Chapter 28
4. **Business Cycles, Unemployment, and Inflation:** Lecture 4; Chapter 29

5. **Basic Macroeconomic Relationships:** Lecture 5; Chapter 30
6. **The Aggregate Expenditures Model:** Lecture 6; Chapter 31
7. **Aggregate Demand and Aggregate Supply:** Lecture 7; Chapter 32
8. **Fiscal Policy, Deficit, and Debt:** Lecture 8; Chapter 33
9. **Money, Banking, and Financial Institutions:** Lecture 9; Chapter 34
10. **Money Creation:** Lecture 10; Chapter 35
11. **Interest Rates and Monetary Policy:** Lecture 11; Chapter 36
12. **Financial Economics:** Lecture 12; Chapter 37
13. **Extending the Analysis of Aggregate Supply:** Lecture 13; Chapter 38
14. **Current Issues in Macroeconomic Theory and Policy:** Lecture 14; Chapter 39
15. **International Trade:** Lecture 15; Chapter 40
16. **The Balance of Payments, Exchange Rates, and Trade Deficits:** Lecture 16; Chapter 41
17. **The Economics of Developing Countries:** Lecture 17; Chapter 42