Course description and prerequisites

This course teaches the principles of closed and open macroeconomics with an emphasis on macroeconomic policy. The course develops a framework for understanding the forces that determine output, employment, inflation, interest rates, exchange rates, international trade, capital flows, and other key macroeconomic variables. This framework is used to evaluate macroeconomic policies in the context of different national economic environments.

By the end of the course, students will understand: (1) The measurement and behavior of key macroeconomic aggregates, including production, consumption and the accumulation of physical capital; (2) The role of central banks, and the challenges they face in designing and implementing monetary policy; (3) The impact of fiscal policy choices such as government budget deficits and the accumulation of public debt.

The prerequisites are:
• CORE-GP 1018 Microeconomics
• CORE-GP 1021 Financial management

This course requires a working knowledge of the material learned in the prerequisite courses. Students should review their textbooks and notes from the prerequisites before the course begins, and refer to them throughout the course as needed.
Students must be able to draw and interpret graphs, and use algebra to manipulate and solve equations. If you are at all unsure about these skills, please work through the Wagner Math Review Course Packet chapters on graphing (p.48-79) and algebra (p.80-130): [http://wagner.nyu.edu/current/services/files/mathReviewPacket.pdf](http://wagner.nyu.edu/current/services/files/mathReviewPacket.pdf)

**Website and tutor**

I will use NYU Classes ([http://classes.nyu.edu](http://classes.nyu.edu)) to post announcements and documents (sources for the lecture notes, assigned readings, journal articles, lecture slides, homework solutions, etc.). I will occasionally send announcements through NYU Classes email system, so it is important that you regularly check your NYU email account or set up appropriate email forwarding ([http://home.nyu.edu/](http://home.nyu.edu/)).

Yusuf Siddiquee ([ys1460@nyu.edu](mailto:ys1460@nyu.edu)) is the tutor for the course. Yusuf is responsible for grading your homework and for two weekly 1-hour tutoring sessions. The scheduling of the tutoring sessions is being finalized.

**Textbook and readings**


Readings listed in the syllabus. The readings listed in the syllabus are the sources I will base the lectures on. I may add or change syllabus readings based on how the course progresses and on interesting economic developments.

Assigned readings. Assigned readings are determined weekly (some weeks may not have assigned readings), will be discussed in class, and are the basis on which I will assign your class participation grade (see the grading section below). Assigned readings may include newspaper and journal articles, various institutions’ reports, etc.
Course requirements and grading

Class participation (10%). Students must complete assigned readings before class and come to class prepared to summarize and discuss them.

Homework assignments (20%). Homework assignments must be submitted by the beginning of class and they can be submitted online. Late assignments will not be accepted. You will receive a “check -” if you make a good faith effort to solve all of the problems in each assignment and turn in the assignment on time. Please make a copy of your assignment before turning it in. Solutions will be posted on NYU Classes.

There will be 9 homework assignments, each receiving check marks worth 1 to 3 points. At the end of the semester, the total is re-scaled to 100 (e.g., 9 assignments each receiving check +, are worth 100 points). The assignments will be typically (but not exclusively) taken from the textbook.

Exams (70%). The topics for the midterm and the final exams do not overlap. Each exam is worth 35% of the final grade. There will be no make-up exams. If you have a conflict with either of the scheduled exam dates, please do not take the course at this time.

Exams are typically based on homework assignments. I will let you know in advance if there are additional readings you must be familiar with for the exams.

Academic integrity

As members of the NYU Wagner community, we are all expected to adhere to high standards of intellectual and academic integrity. Please review the academic code here: http://wagner.nyu.edu/current/policies/index.php.

For this particular course, there are some specific behaviors required to meet these standards of academic integrity, outlined below. Violations of these standards will automatically result in failure of the course and will be reported to the discipline committee for further action.

Homework Assignments: While I encourage students to work on the homework in groups, the final write-up of assignments must be done individually, with no sharing of written answers.

Exams: The exams must be the sole work of the individual student. Exams are closed-book.
## Course schedule

<table>
<thead>
<tr>
<th>DATE</th>
<th>TOPIC</th>
<th>HW DUE</th>
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<tbody>
<tr>
<td>1/28</td>
<td>Introduction to the course - KW Chapter 6</td>
<td></td>
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<tr>
<td>2/4</td>
<td>Macroeconomic aggregates I - KW Chapters 7 &amp; 8</td>
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<tr>
<td>2/11</td>
<td>Macroeconomic aggregates II - KW Chapters 8 &amp; 10</td>
<td>HW 1</td>
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<tr>
<td>2/18</td>
<td>Income and expenditures - KW Chapter 11</td>
<td>HW 2</td>
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<tr>
<td>2/25</td>
<td>Aggregate demand and supply - KW Chapter 12</td>
<td>HW 3</td>
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<tr>
<td>3/4</td>
<td>Macroeconomic policy - KW Chapter 12 &amp; 18</td>
<td>HW 4</td>
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<tr>
<td>3/11</td>
<td>Midterm exam</td>
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<tr>
<td>3/25</td>
<td>Fiscal policy - KW Chapter 13</td>
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<tr>
<td>4/1</td>
<td>Money - KW Chapter 14</td>
<td>HW 5</td>
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<tr>
<td>4/8</td>
<td>Monetary policy - KW Chapter 15</td>
<td>HW 6</td>
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<tr>
<td>4/15</td>
<td>Price dynamics - KW Chapter 16</td>
<td>HW 7</td>
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<tr>
<td>4/22</td>
<td>International macroeconomics - KW Chapters 5 &amp; 19</td>
<td>HW 8</td>
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<tr>
<td>4/29</td>
<td>Crises - KW Chapter 17</td>
<td>HW 9</td>
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<tr>
<td>5/6</td>
<td>Economic growth - KW Chapter 9</td>
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<tr>
<td>TBD</td>
<td>Final exam</td>
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Detailed course schedule

Lecture 1 (1/28): Introduction to the course.
- KW: Chapter 6.

Lecture 2 (2/4): Macroeconomic aggregates I.
- KW: Chapter 7, Chapter 8 up to p.228.

Data releases:
- BEA (1/30): GDP 4th Quarter and Annual 2013 (advance estimate)
- Federal Open Market Committee [FOMC] (1/29 - statement-only meeting)

Lecture 3 (2/11): Macroeconomic aggregates II.
- KW: Remainder of Chapter 8 and Chapter 10.

Data releases:
- BEA (1/31): Personal Income and Outlays
- BLS (1/16): Consumer Price Index
- BLS (2/7): January 2014 Employment Situation
• KW: Chapter 11.

Data releases:
• BEA (1/31): Personal Income and Outlays

• KW: Chapter 12 up to p.368.

• KW: Remainder of Chapter 12 and Chapter 18.

• KW: Chapter 13.

• KW: Chapter 14.
• KW: Chapter 15.

Lecture 10 (4/15): Prices.
• KW: Chapter 16.

• KW: Chapter 5 up to p.144 and Chapter 19.

• KW: Chapter 17.

KW: Chapter 9.