Syllabus: *Introduction to Macroeconomics*
Department of Economics,
Washington University in St. Louis

Lijun Zhu
June 14, 2016

**Course Information**
Introduction to Macroeconomics  
Course ID: L11 Econ 1021 41  
1:00-2:45 p.m. M.-F. Jul.18-Aug.18, 2016. Room 109, Seigle Hall

**Instructor**
Lijun Zhu  
Office: 376 Seigle Hall  
Email: lijun.zhu@wustl.edu  
Office Hour: TU, THU 10:30-11:30 a.m. & by appointment

**Textbooks**

**Course Website:** bb.wustl.edu

**Course Description:** The goal of this course is to acquaint students with the set of concepts and framework (macro-)economists use to understand real world economic problems. The focus will be on the aggregate variables (the ‘big picture’), such as GDP, economic growth and fluctuations, inflation, unemployment and monetary and fiscal policies.

- **Learning Objectives**
  - Develop interest in real world economic questions;
  - Understand, intuitively, the forces determining macroeconomic variables such as GDP, inflation, unemployment and interest rates;
  - Be familiar with macroeconomic terminology, such as multiplier, monetary policy, and natural level of unemployment;
  - Be able to formulate and assess macroeconomic policy suggestions, and interpret and evaluate media reports on the macroeconomy.
Grading: Exposure to problems are a necessary and efficient way to understand concepts and terminologies. Your grade will be determined by the following:

- In-class Quizzes, 10%
  - There will be 3-4 in-class non-cumulative quizzes (dates to be announced in class) based on assigned reading and class discussion. Each take 30 minutes. You will complete this quiz in a 2 (or 3) person team. These will be closed-book quizzes.

- 4 Weekly Homework, 40% = 4 * 10%
  - Homework will be handed out at the beginning of each week, and is due to Monday of next week. You are allowed to discuss homework with your classmates, and should, however, submit your own answer.

- Final Exam, 50%
  - The final exam will be cumulative. It will occur on the last day of class: Thursday, August 18, 1:00-2:45 p.m., in Romm 109, Seigle Hall.

Academic Integrity: The final exam is to be your own work. As such, evidence to the contrary will result, initially, in a failing grade, and immediate academic disciplinary action. For more about policy on academic integrity at Washington University, please refer to http://studentconduct.wustl.edu/academic-integrity/policies-and-procedures/
Tentative Outline

*Please refer to Blackboard for up-to-date information about course assignment, readings, and etc.*

- **Week 1 (Jul 18-22):**
  - Monday, Tuesday
    * Syllabus Overview; Course Administration
    * Introduction: Macroeconomics and Reality
      - Reading Assignment: chs. 1-3.
      - Introduce basic concepts in macroeconomics, and show their measures from real world data over time or cross countries.
  - Wednesday, Thursday
    * Demand, Supply and Equilibrium: To put data into an analytical framework
      - Reading Assignment: ch 4.
      - Introduce the basic demand and supply framework, marginal analysis and the concept of equilibrium,
  - Friday
    * National Accounts: Defining Macro Variables (Part 1)
      - Reading Assignment: ch 5.
      - Focus on NIPA, different approach to measure GDP, and inflation.

- **Week 2 (Jul 25-29):**
  - Monday
    * 1st HW DUE on Monday
    * National Accounts: Defining Macro Variables (Part 2)
  - Tuesday, Wednesday
    * The Goods Market and Aggregate Incomes
      - Reading Assignment: ch 6
      - Introduce the concept of production function
      - Present data on cross-country income difference
      - Inequality: distribution of aggregate income, long run trend and explanations
  - Thursday, Friday
    * The Labor Market: Employment & Unemployment
      - Reading Assignment: ch 9

- **Week 3 (Aug 1-5):**
  - Monday, Tuesday
• 2nd HW DUE on Monday
  • The Credit Market: interest rates, banks and other financial intermediaries
    • Reading Assignment: ch 10
  – Wednesday, Thursday
    • The Monetary System: money, inflation, interest rates and central banking
      • Reading Assignment: ch 11
  – Friday
    • Short-Run Fluctuations: the Business Cycle (Part 1)
      • Reading Assignment: ch 12
• Week 4 (Aug 8-12):
  – Monday, Tuesday
    • 3rd HW DUE on Monday
    • Short-Run Fluctuations: the Business Cycle (Part 2)
  – Wednesday, Thursday, Friday
    • Short-Run (Counter-Cyclical) Policies: Monetary & Fiscal Policies
      • Reading Assignment: ch 13
      • Focus on the underlying logic for counter-cyclical polices and its working mechanism
• Week 5(Aug 15-18):
  – Monday, Tuesday, Wednesday
    • 4th HW DUE on Monday
    • The Macroeconomy in the Long-Run
      • Reading Assignment: chs. 7-8.
      • Within country over time and Cross-country growth facts
      • Main thoughts for economic growth models, and current development
  – Thursday
    • Final Exam