**Introduction to Macroeconomics (GECON 200\_0015)**

Term: Spring 2017

Class location: Zane Showker Hall 104

Class time: MW 5:30-6:45

**Instructor**: John Robinson (robinsja@jmu.edu)

**Office Hours**: Tuesday 12:00-3:00 and Wednesday 9:00-12:00 in Zane Showker 420

During this course you will develop the tools to understand the world around you and a vocabulary for describing it. In the broadest sense, economics is the scientific study of all things in the social world. As the discipline grew, topics which focused on questions about the economy as a whole (as in the globe or a country or region) rather than individual markets began to be called “macroeconomics.” This is a course designed to introduce you to those topics.

**Catalog description:** Behavior of systems at the national and international levels. Topics include the methodology of economics as a social science, supply and demand, definition and measurement of important macroeconomic variables, and theoretical models of growth, inflation, interest rates, unemployment, business cycles, stabilization policy, exchange rates and the balance of payments.

This course is a part of General Education Cluster 4. Taking this course may fulfil one of your GenEd requirements. (http://www.jmu.edu/gened/goals.html)

**Course goals:** After completing this course, students should be able to show understanding of macroeconomic issues such as economic growth, trade, inflation, and business cycles. They should understand some competing theories about how the macroeconomy works and how these suggest differing roles for government policy makers. They should have a general understanding of global economic history and the role of trade in creating wealth.

**Class format:** This is primarily a lecture-based class supplemented with in-class activities, experiments, videos, and discussions.

**Prerequisites:** Mastery of high school level algebra is expected.

**Attendance:** Not required

**Electronics:** During the course of this class, we will occasionally use Learning Catalytics. You will have an account (see below) and will use your laptop, tablet, or smartphone to participate. During the majority of time when we are NOT using this software, all laptops, phones, etc. are strictly prohibited. Students caught using a contraband device will have 5 points deducted from their overall grade.

**Academic Honesty and Integrity:** All students are expected to comply with JMU policy about academic integrity and honesty at all times. I take this very seriously, as should you. Penalties for honor code violations include a grade of “F” assigned for the course. No exceptions. (<http://www.jmu.edu/academicintegrity/>)

**Disabilities notice:** If you have not already done so, you will need to register with the Office of Disability Services, Student Success Center, First Floor, Suite 1202, 568-6705, and provide me with an Access Plan letter outlining your accommodations. Accommodations will be made for students with disabilities in accordance with JMU policy <http://www.jmu.edu/JMUpolicy/1331.shtml>

**Inclement weather policy**: During inclement weather, be aware of closure notice directly from the university or by checking the university web page. If class is cancelled for another reason, I will send an announcement. <http://www.jmu.edu/JMUpolicy/1309.shtml>

**Religious observance accommodation:** Notify me as early as possible before the add/drop deadline if you expect to need accommodation for religious observance or engagement of great personal importance that will cause you to miss instructional or testing time. We will discuss the appropriate accommodation at that time.

**Required texts and licenses:**

***- Modern Principles of Macroeconomics, Third Edition*** by Tyler Cowen and Alex Tabarrok, available at the bookstore or online. You must have access to the ebook and associated online resources. In fact, you can succeed in this class without a physical copy of the textbook, but not without the ebook. You may purchase the ebook on its own at the Macmillan Learning website or elsewhere online.

***- The Choice: A Fable of Free Trade and Protectionism*** by Russell Roberts. (Third edition)

***- “Learning Catalytics”*** - Purchase a license online.

**- (2-4) “Blue” books** – Purchase from JMU bookstore

**Other texts and resources:**

All other texts and resources required for the class are available online for free, and I have included the links along with the relevant assignment, below.

**Grades:** Your grade will be based on 10 quizzes (worth 20 points each), 6 online responses to blog posts (worth 5 points each), and a final exam (worth 50 points). Students not in the Honors program should consider the online responses to be extra credit (for a possible 2 points each), and your grade thresholds are 25 points lower for each grade. Honors students also have the option of working on a project of your choosing related to the course material for up to 40 additional points. Discuss this project or paper with me no later than **February 1st**. Your grade in this class will be based on a point system. **[A ≥ 225; 225 > B≥ 200; 200 > C ≥ 175; 175 > D ≥ 150; 150 > F] for Honors or [A ≥ 200; 200 > B≥ 175; 175 > C ≥ 150; 150 > D ≥ 125; 125 > F] for non-Honors**

\*You should expect the quizzes to be challenging. Don’t be surprised if your first few grades are well below an “A” until you understand the sorts of ideas you should be focusing on when you do your reading for the class. I also provide a number of opportunities for extra credit throughout the semester – be on the lookout for those!

**Quizzes**: You will take the quizzes at the beginning of each Monday class beginning on **January 23**. Each quiz will cover material from the previous two classes as well as material from the assigned reading for the upcoming week. Each quiz will have a few short answer questions. In order to receive full credit for quiz questions, your answer will have to be technically accurate, clearly reasoned, and concisely stated. You **may not** make up any quizzes.

**Final Exam**: The final exam will be cumulative and will take place on Friday, April 28 from 1:00-3:00. Do not schedule to leave before this date. You will take the exam at the appointed time or receive a “0” on the exam.

**Tentative Schedule:** The assignments that follow may be modified at any time by the course instructor, with a minimum of 48 hours-notice. Changes will be announced in class as well as on Canvas.

The number refers to the week number. For example, “1” refers to the first week of class. Beginning the second week, you must read all of the assigned readings before our first meeting on Monday.

\*Along with these reading assignments, you will be required to watch short videos related to the material, found at <http://www.mruniversity.com/>. Some of these you will watch outside of class, others we will watch in class together. I will post assigned videos to Canvas so you know what to watch in advance. The videos are one of your best resources for reviewing and mastering the material. I highly recommend you bookmark the site and visit it often! Show your friends!

1. **January 9 & 11: Human Society and Behavior**

Modern Principles of Macroeconomics (hereafter C&T) - Chapter 1

Frederic Bastiat, “What is Seen and What is Not Seen” - sections 1 and 5

(<http://bastiat.org/en/twisatwins.html>)

Henry Hazlitt, “Economics in One Lesson” – Chapter 1 “The Lesson”

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

1. **January 18: Trade and Comparative Advantage**

C&T – Chapter 2

Russel Roberts, “Treasure Island: The Power of Trade. Part 1…”

(<http://www.econlib.org/library/Columns/y2006/Robertscomparativeadvantage.html>)

Russel Roberts, “Treasure Island: The Power of Trade. Part 2…”

(<http://www.econlib.org/library/Columns/y2006/Robertsstandardofliving.html>)

1. **January 23 & 25: Demand, Supply, and Equilibrium**

Russell Roberts, “Where Do Prices Come From?”

(<http://www.econlib.org/library/Columns/y2007/Robertsprices.html>)

C&T – Chapters 3 & 4

1. **January 30 & February 1: International Trade**

Henry Hazlitt, “Economics in One Lesson” – Chapter 11 “Who’s ‘Protected’ By Tariffs?”

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

Russell Roberts, *The Choice* – Chapters 1-11

C&T – Chapter 19

1. **February 6 & 8: International Trade, continued**

Russell Roberts, *The Choice* – Chapters 12-17

C&T – Chapter 20

Pierre Lemieux, “Free Trade and TPP”

(<http://www.econlib.org/library/Columns/y2016/Lemieuxtpp.html>)

1. **February 13 & 15: GDP**

C&T – Chapter 6

David Henderson, “GDP Fetishism”

(<http://www.econlib.org/library/Columns/y2010/HendersonGDP.html>)

Robert P. Murphy, “Pitfalls in GDP Accounting”

(<http://www.econlib.org/library/Columns/y2016/Murphygdp.html>)

1. **February 20 & 22: Economic Growth**

C&T – Chapter 7 & Chapter 8

1. **February 27 & March 1: Savings and Investment**

C&T – Chapter 9

Henry Hazlitt, “Economics in One Lesson” – Chapter 24 on Savings

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

1. **March 6 & 8: Spring Break**
2. **March 13 & 15: Unemployment**

C&T – Chapter 11

Henry Hazlitt, “Economics in One Lesson” – Chapters 7-10 on Employment & Chapters 19-20 on Wages

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

1. **March 27 & 29: Inflation**

C&T – Chapter 12

Henry Hazlitt, “Economics in One Lesson” – Chapter 23 on Inflation

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)

Kevin Hoover, “Phillips Curve”

(<http://www.econlib.org/library/Enc/PhillipsCurve.html>)

1. **April 3 & 5: Business Cycles**

Alan Blinder, “Keynesian Economics”

(<http://www.econlib.org/library/Enc/KeynesianEconomics.html>)

Bennett McCallum, “Monetarism”

(<http://www.econlib.org/library/Enc/Monetarism.html>)

Kevin Hoover, “New Classical Macroeconomics”

(<http://www.econlib.org/library/Enc/NewClassicalMacroeconomics.html>)

N. Gregory Mankiw, “New Keynesian Economics”

(<http://www.econlib.org/library/Enc/NewKeynesianEconomics.html>)

1. **April 10 & 12: Institutions, Development, and Long-Run Growth**

“Poverty, Inc.” (we will watch parts of this in class)

Bryan Caplan, “The Idea Trap”

(<http://www.econlib.org/library/Columns/y2004/Caplanidea.html>)

Jeffrey Sachs, “The Geography of Poverty”

(<http://earth.columbia.edu/sitefiles/file/about/director/documents/sciam0301.pdf>)

Arnold Kling, “Did Racial Differences Cause Societies to Diverge?

(<http://www.econlib.org/library/Columns/y2014/Klingdiverge.html>)

1. **April 17 & 19: Political Economy and Public Choice**

C&T – Chapter 21

Russell Roberts, “Presidential Economics: What Leaders Can and Cannot Do about the State of the Economy”

(<http://www.econlib.org/library/Columns/y2004/Robertsleaders.html>)

1. **April 24 & 26: Final Thoughts & Review**

Henry Hazlitt, “Economics in One Lesson” – Chapters 2, 3, & 25

(<http://www.hacer.org/pdf/Hazlitt00.pdf>)