

Bard College at Simon's Rock  
**Econ 101: Introduction to Macroeconomics**  
Spring 2014

**Instructor:** Mohammad R. Moeini-Feizabadi  
**Office:** HCC 2<sup>nd</sup> floor  
**Office Hours:** Wed 2:00-3:00 pm or by appointment  
**Class:** Tue/Thu 9:00 - 10:25 AM in CL03-09  
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### Overview

*“The master-economist must possess a rare combination of gifts. He must be mathematician, historian, statesman, philosopher—in some degree. He must understand symbols and speak in words. He must contemplate the particular in terms of the general, and touch abstract and concrete in the same flight of thought. He must study the present in the light of the past for the purposes of the future. No part of man’s nature or his institutions must lie entirely outside his regard. He must be purposeful and disinterested in a simultaneous mood; as aloof and incorruptible as an artist, yet sometimes as near the earth as a politician.”*

~ John Maynard Keynes

### Course Description

Macroeconomics is the attempt, throughout history, to understand phenomena such as *unemployment, inflation, the business cycle, financialization, economic growth, and economic downturn*; and how governments, through *fiscal and monetary policy*, have addressed these issues. Following the quote above, we study the issues and ideas of macroeconomics in a variety of perspectives: through theoretical models, the history of economic thought, economic history, philosophy, economic data, and politics. Each perspective has its own contribution to make to our understanding of the economy.

### Required Textbooks

There are two required textbooks for this course: (1) *Macroeconomics* (3<sup>rd</sup> edition, 2013), by Paul Krugman and Robin Wells (henceforth KW), and (2) *Railroading Economics* (3<sup>rd</sup> edition, 2010), by Michael Perlman (henceforth P).

In addition to the above resources, we will use Bard at SRC Moodle to access to PowerPoint Slides (PPTs), video and audio files, Internet links, and the like. We will use Moodle for our online discussion forums too.

Students are encouraged to read *New York Times*, *The Wall Street Journal*, *The Financial Times*, *The Economist*, *Business Week*, *Harvard Business Review* and other sources, especially those available electronically.

### **Class Activity and Course Evaluation**

Course evaluation will be based on (1) class attendance and participation, (2) keyword discussion, (3) weekly short homework assignments, (4) Moodle discussion forums, (5) three relatively short take-home exams, and (6) a final in-class comprehensive exam.

#### ***(1) Class attendance and participation***

Class attendance includes both physical attendance and an intellectual one. Students are supposed to arrive to class on time, to actively participate in class discussions, to raise questions and to be ready to answer questions raised by the instructor of the course as well as to those raised by their classmates.

#### ***(2) Keyword discussion***

At the end of each class session, the instructor will assign the reading(s) for the next class. Each student is expected to read the reading(s), to choose one 'keyword', to write a paragraph long reaction note about the selected keyword, to print the written piece, and to submit it to the instructor at the beginning of the next class. Reactions notes will serve us as the basis of the class discussion; they also will serve the instructor as an attendance document. Hence, it is mandatory that each student writes down her or his name on her or his reaction note before submitting it to the instructor. The reaction notes will be collected at the beginning of the class.

#### ***(3) Weekly assignments***

Starting the second week of class, you will be assigned a 1-page practice test on a weekly basis. Tests will be posted to Moodle. You have to print your test, answer the questions, and bring a hard copy of the test to class on its due date. I will collect your tests, I will grade them, and will return to you the graded test in the next session.

#### ***(4) Moodle discussion forums***

Five discussion questions will be posted to the Moodle Forum. Class will be divided into groups of 3-4 students. Each member of the group is supposed to write a shorty essay of 400-500 words in response to the Moodle question. Other group members are supposed to comment on the main short essay posted by their team-mate. Deadline is usually Sunday at 11:55 PM. It is mandatory that students post their main short essays well ahead of time, so that their teammates can have enough time reading the essay, contemplating its content, and writing their comments with peace of mind; discussion forums require cooperation and collaboration.

#### ***(5) Three take-homes***

Take-home midterms will be handed out on 02/13, 03/06, and 05/01. Due dates will be 02/18, 03/11, and 05/06 respectively. Midterms will not be comprehensive.

#### ***(6) Final exam***

Final exam, which will be comprehensive, is going to be in-class. Time and place will be determined by the Registrar. A week before the exam the instructor will provide you with

a comprehensive study guide. The study guide is supposed to serve you as a “road map of the final exam with sufficient details”; the study guide is NOT an exam sample! No exam question will be asked unless it is in the study guide.

*COURSE GRADE:* Your *term grade* for the course will be determined by a weighted-average of the following:

|                       |     |
|-----------------------|-----|
| Class Participation   | 20% |
| Discussions           | 20% |
| Three Midterm Exams   | 30% |
| Cumulative Final Exam | 30% |

Final grades will not be curved, and there will not be extra credit. Final grades will be translated to letter grades based on the grading scale shown below:  
A =93–100; A- =90–92; B+ =86–89; B =82–85; B- =79– 81; C+ =77-78; C =74-76; C- =70–73; D+ =67-69; D =64-66; Fewer than 64 points= F.

I know that grades are important to students. I do everything I can to treat everyone fairly. Grades will be based solely on the average score for the assigned work and exams; no extra credit or additional work will be offered, and grades *cannot be negotiated*.

### **GETTING HELP**

No appointment is needed for my "drop-in" office hours. My office is in the **2<sup>nd</sup> floor of Hall College Center (HCC)**

### **Readings and Exams**

#### **Week 1: 01/28 & 01/30**

Intro: The Ordinary Business of Life  
(KW) Chapter 1: First Principles  
(KW) Chapter 2: Economic Models: Trade-offs and Trade  
*Appendix: Graphs in Economics*

#### **Week 2: 02/04 & 02/06**

(KW) Chapter: 2 Economic Models: Trade-offs and Trade (continued)  
(KW) Chapter 3: Supply and Demand  
(P) INTRODUCTION

#### **Week3: 02/11 & 02/13**

(KW) Chapter 4: Price Controls and Quotas: Meddling with Markets

(KW) Chapter 5: International Trade (a brief discussion)  
*Appendix: Consumer and Producer Surplus*  
(P) Chapter 1: THE END OF ECONOMICS

**Exam 1 will be handed out on 02/13**

**Week 4: 02/18 & 02/20**

**Exam 1 due in class on 02/18**

(KW) Chapter 6: Macroeconomics: The Big Picture  
(KW) Chapter 7: Tracking the Macroeconomy  
(P) Chapter 2: ECONOMIC THEORY AND THE HISTORICAL INCREASE OF  
FIXED CAPITAL

**Week 5: 02/25 & 02/27**

(KW) Chapter 7: Tracking the Macroeconomy (continued)  
(KW) Chapter 8: Unemployment and Inflation  
(P) Chapter 3: RAILROADS AND THE INCREASE IN FIXED CAPITAL

**Week 6: 03/04 & 03/06**

(KW) Chapter 9 Long-Run Economic Growth  
(P) Chapter 4: THE ROLE OF FINANCE

**Exam 2 will be handed out on 03/06**

**Week 7: 03/11 & 03/11**

**Exam 2 due in class on 03/11**

(KW) Chapter 10: Savings, Investment Spending, and the Financial System  
(P) Chapter 5: INDUSTRY TAKES COMMAND: THE RISE OF WELFARE CAPITALISM

**Week 8: 04/01 & 04/03**

(KW) Chapter 11: Income and Expenditure  
*Appendix: Deriving the Multiplier Algebraically*

**Week 9: 04/08 & 04/10**

(KW) Chapter 12: Aggregate Demand and Aggregate Supply  
(P) Chapter 6: MODERN FINANCE CAPITAL

**Week 10: 04/15 & 04/17**

(KW) Chapter 12: Aggregate Demand and Aggregate Supply (continued ...)

(KW) Chapter 13: Fiscal Policy  
*Appendix: Taxes and the Multiplier*

**Week 11: 04/22 & 04/24**

(KW) Chapter 14: Money, Banking, and the Federal Reserve System

**Week 12: 04/29 & 05/01**

(KW) 15 Monetary Policy  
*Appendix: Reconciling Two Models of the Interest Rate*

**Exam 3 will be handed out on 05/01**

**Week 13: 05/06 & 05/09**

**Exam 3 due in class on 05/06**

(KW) Chapter 16: Inflation, Disinflation, and Deflation  
(P) Chapter 7: THE DEPRESSION

**Week 14: 05/13 & 05/15**

(KW) Chapter 17: Crises and Consequences  
(P) Chapter 8: THE GOLDEN AGE