

ECON 352 - COURSE INTRODUCTION

(See Syllabus)

Trevor Gallen

Spring 2015

ECON 352

- ▶ Econ 352: Intermediate Macroeconomics
- ▶ Class: M/W/F, 11:30-12:20
- ▶ Me
- ▶ Math: MA 16010/16100/16500
- ▶ My OH: Wednesdays, 2:00-3:00 a.m. in KRAN 541.
- ▶ TA: Darwin Brack
- ▶ TA OH: Tuesdays, 8:00-10:00 a.m. in KRAN B024-E

OVERVIEW

The purpose of this class is to give you a rigorous introduction to macroeconomic theory and empirics. We examine longstanding stylized facts about both long-run growth and short-run fluctuations in macroeconomic aggregates through the focusing lens of theory. We study determinants of equilibrium in labor, consumption, investment, and money markets in particular. In doing so, we will also touch on money and banking, financial markets, and international trade.

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IMPORTANT NOTE

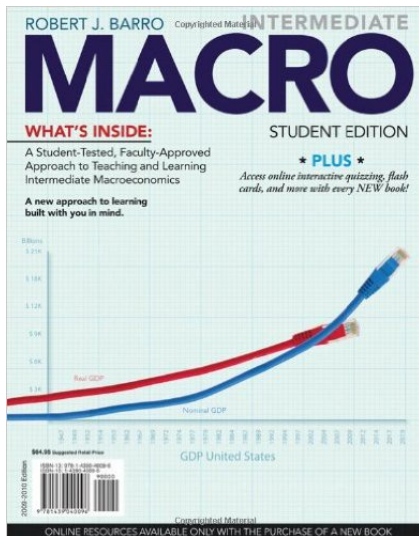
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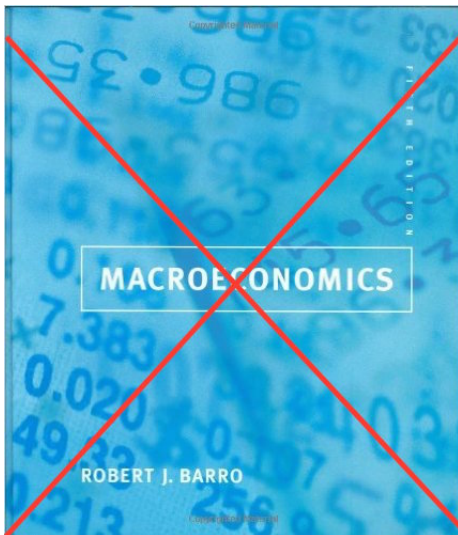
Barro, Intermediate Economics



Correct book

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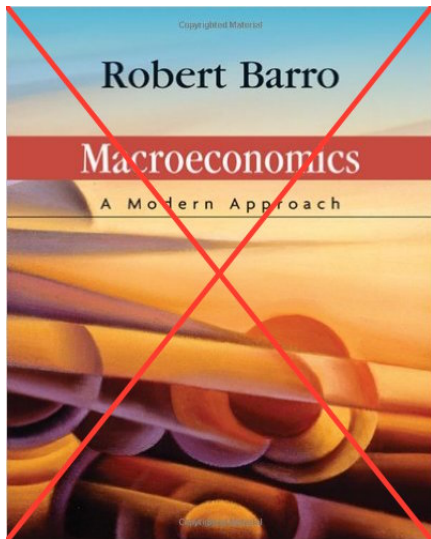
Barro, Macroeconomics, Fifth Edition



Great book! But not our book!

TEXTBOOK

Barro, Macroeconomics: A Modern Approach (



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- ▶ Chevalier & Goolsbee, 2005 “Are Durable Goods Consumers Forward Looking? Evidence from College Textbooks”
- ▶ Look at psychology, biology, and economics textbooks from 1997-2001
- ▶ Ask: Are students forward looking? Does planned obsolescence work?

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- ▶ A: Students are forward-looking and patient. They correctly account for probability of low resale value.
- ▶ What's the logic?
 - ▶ There are always alternatives
 - ▶ Steal, pool resources, library, wing it, old versions, etc.
 - ▶ Value of the textbook to you (driving textbook demand):
$$\text{Value of textbook} = \text{Value of learning} + \text{Value of liquidation}$$

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- ▶ Lesson: students are really smart

ASIDE ON TEXTBOOKS-III

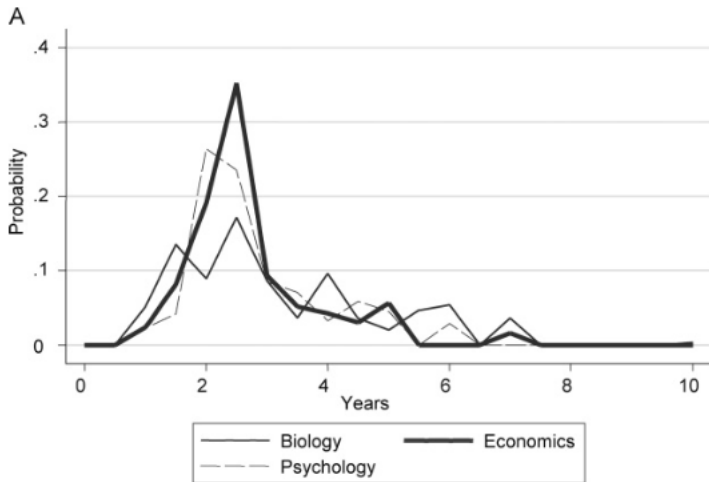


FIGURE IA
Revision Hazard for Introductory Books by Age of Edition

Lesson: when books have been out two years, they're the riskiest bet

ASIDE ON TEXTBOOKS-IV

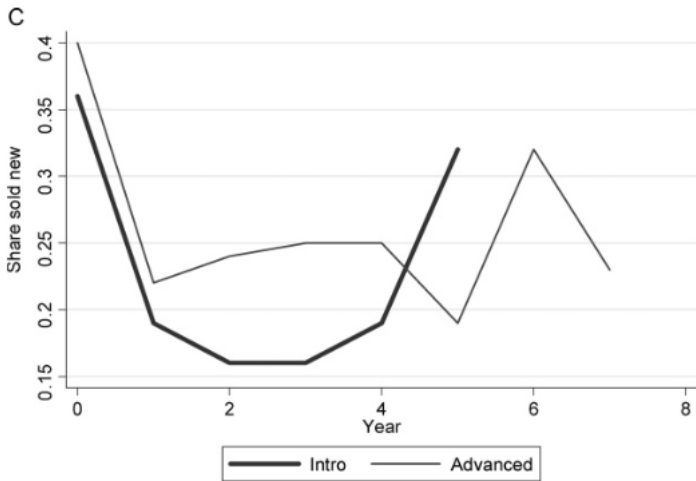


FIGURE IC
New Books Sold/Total Assigned

Lesson: when books are riskiest, you're the least likely to buy them

COURSE REQUIREMENTS

- ▶ Two midterms ($2 \cdot 15\% = 30\%$)
- ▶ Seven minus one homeworks ($6 \cdot 4.1\bar{6}\% = 25\%$)
- ▶ One final ($1 \cdot 35\% = 35\%$)
- ▶ I will give a bunch of little HotSeat questions. Your total score on all questions will be worth *up to* 10% of your grade.
- ▶ I reserve the right to give up to 3 SELE's, each of which can be worth 2% each. Insofar as I give these, they come out of HotSeat responses.
- ▶ To be clear: HotSeat weight = $10\% - 2\% \cdot \#SLEs$

HOTSEAT

- ▶ Next class we will have an introduction to HotSeat
- ▶ Please bring your cell phone
- ▶ If you do not have a cell phone, we can use a paper method

IMPORTANT DATES

1. Jan 22nd: Homework 1 Due
2. Feb 3rd: Homework 2 Due
3. Feb 15th: Homework 3 Due
4. Feb 22nd: Midterm I
5. March 7th: Homework 4 Due
6. March 28th: Midterm II
7. April 11th: Homework 5 Due
8. April 18th: Homework 6 Due
9. April 29th: Homework 7 Due
10. TBD in Late February: Final Exam

CHEATING

- ▶ Becker 1968, Crime and Punishment: An Economic Approach

There was a tendency during the eighteenth and nineteenth centuries in Anglo-Saxon countries (and even today in many Communist and underdeveloped countries) to punish those convicted of criminal offenses rather severely, at the same time that the probability of capture and conviction was set at rather low values. [...] a reduction in [the probability of being caught] obviously reduces expenditures on combating crime, and, since the expected punishment is unchanged, there is no “obvious” offsetting increase in [crime. Therefore, a society might] keep police and other expenditures relatively low and to compensate by meting out strong punishments to those convicted.

- ▶ Don't cheat.

EXPECTED GRADE DISTRIBUTION

- ▶ Broad expectation: real results may vary.
- ▶ All grades, naively summed, then curved, roughly minimize the within-category variance/maximize between-category variance:

A+	3.22%	
A	14.82%	29.73%
A-	11.70%	
B+	11.26%	
B	20.71%	41.59%
B-	9.62%	
C+	6.86%	
C	11.35%	21.74%
C-	3.52%	
D+	1.17%	
D	1.98%	3.66%
D-	0.51%	
F	1.85%	1.85%

EMERGENCIES

- ▶ This syllabus is subject to revision in the event of a major campus emergency or other circumstances beyond the instructor's control. For instance, we may have to change weighting, or the time of the final exam.
- ▶ See “Emergency Preparedness Document” and links for details on emergency preparedness & notification

QUESTIONS

- ▶ Any questions?