

# University at Buffalo, The State University of New York

Winter 2022

## ECO 181 LD: Introduction to Macroeconomics

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**Instructor:** Sandipa Bhattacharjee

**Class time:** MTWTF 3:00PM – 6:00PM (Jan 5<sup>th</sup> – Jan 25<sup>th</sup>, 2022)

**Primary Course Website:** <https://ublearns.buffalo.edu/>

**Class Meeting:** In- Person (For those enrolled in-person): Fronczak 422

Remote (For those enrolled remotely): (Online & Recorded) UBLeArns

(Lectures with Zoom will be linked and can be accessed directly through UBLeArns)

**Office Hours:** By appointment. Send me an email to schedule an appointment.

**Office Location:** (Online) [Zoom Meeting Link](#), Meeting ID: 434 636 9188, Passcode: UB\_ECO

**Contact Information:** [sandipab@buffalo.edu](mailto:sandipab@buffalo.edu)

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**Course Description:** The goal of this course is to understand the important measurements used to evaluate the overall economy; how the economy functions and what policies, if any, the government should take to assist in the improvement of the economy. We begin with a review of some fundamental principles of economics and then learn some of the important measurements used in the evaluation of the economy such as GDP, inflation, unemployment and deficits. We then develop models which will assist us in understanding how the aggregate economy works and what factors lead to problems in the given economic situation. Lastly, we explore what role the government should play in stabilizing the economy.

**Student Learning Outcomes:** By the end of this course, students should be able explain macroeconomic concepts with proper reasoning and logic; how the macroeconomic concepts apply to a market economy; be familiar with the workings of the Federal Reserve system and the role of the government; and understand how various fiscal and monetary policy actions interact in an economy.

**Textbook:** Brief Principles of Macroeconomics by N. Gregory Mankiw (8<sup>th</sup> Edition).

Students are **NOT** required to purchase a physical copy of the textbook. However, students who wish to purchase a physical copy are welcome to do so, though they may wish to purchase earlier editions. Students who opt to purchase earlier editions are responsible for ensuring that the earlier edition contains all the relevant information.

**In-class Notes:** Lecture notes will be posted on UBLeArns before class (along with the NOTES section in PowerPoint slides).

Make sure to take notes during the online class (even though the recorded live lectures are posted after class hours on UBLeArns) in addition to what is already posted. This will help you to prepare well for the tests. It is very important that you try to learn and understand the material when you are writing the notes down. If you try to learn the material while I'm teaching it this will make life much easier! You may want to read the chapter before I cover it to make it easier to comprehend. You can get the notes from the book as well.

**Course Requirements:** The purpose of this course is to provide students with the tools necessary to begin thinking like economists about the 'macro'-economy. For many students, these tools will be new, and analyzing policies using these tools will be difficult at first. Students should therefore expect to dedicate time and effort to learn to use these tools. The course is structured such that all students, especially those who take ownership of their learning, are willing to repeatedly try (and sometimes struggle), self-evaluate, and seek help when needed - can be successful. There are no prerequisites for this course. ECO 181 may be taken independently of ECO 182 (Introduction to Microeconomics).

**Communication:** Students should check UBLeArns regularly. Any information I need to communicate regarding the class or lecture will be posted there.

**Lectures:** Lectures will be given in-person (for all those enrolled in-person lecture) and will go live via Zoom (for all those enrolled remotely). *Because of the number of people participating remotely, students are asked to turn off their videos and mute their microphones upon entering the lecture.* Live lectures will be held at the same time that the course is scheduled. Students are encouraged to attend the in-person/ live lectures as you'll be graded on your attendance and participation in the class. Those participating via Zoom should unmute themselves whenever required/ or type in the chat box/ use emoticons for expressing views or use the raise hand option (to be found beside their name in the participants list). The instructor/TA will try to monitor the chat window continuously. Whether attending in- person or in Zoom, lecture recordings will be posted on UB Learns under the same 'Zoom Meeting Link' for the class lecture once it has finished processing under the "Cloud Recordings" tab.

Note: Students enrolled for in- person lectures cannot attend class using Zoom as an alternative.

**Lecture & Attendance:** Students should attend every lecture and actively participate in class discussions. The course is designed to cover a substantial amount of material in a very short time. Students should not expect to consistently miss lectures and still be able to keep up with the class only by reviewing the recordings posted. It is also recommended that students read the relevant material in the textbook before and after the lectures. Taking notes in the class is highly encouraged. Students are responsible for any missed announcements and assignments. Students who are not willing to regularly attend lectures should drop the class. If you are unable to attend the in- person class or live lecture in Zoom, please email me about that before the class stating your reasons.

**Homework Assignments:** There will be several homework assigned and posted on UBLeads. The answers will be posted on UBLeads soon after the submission deadlines of homeworks. ***Late submissions will not be accepted. You need to submit your homeworks online within the due date and time.***

**Discussion/Recitation:** Recitation is mandatory, and it is highly recommended that you attend the session. During recitation, the TA will go over any additional questions regarding homework assignments and other concepts/multiple choice questions/short questions that will be helpful to review for the exams.

Note: There will be no recitation sections in the first week of class.

**TA:** Taekyu Eom

**TA Email:** [taekyueo@buffalo.edu](mailto:taekyueo@buffalo.edu)

**Discussion Time:** Tue & Thurs 6:45PM – 8:00PM

**Discussion Meeting: (For both in- person and remotely enrolled students)** (Online & Recorded): UBLeads (Recitations with Zoom will be linked and can be accessed directly through UBLeads)

**Exams:** There will be 2 exams. **No make-up** exams will be given unless arranged in advance with the instructor for legitimate and acceptable reason. Please note that I require a written documentation supporting any excuse.

The final exam is **NOT** cumulative. The exams will not be proctored using any tools/software. They will be posted online on UBLeads. Students will be given a restricted time limit to finish it off in one sitting within the due date. All the exams will consist of multiple-choice questions mainly and few short answer type questions. This is an open book exam. Students may use notes, the textbook, and already-published online resources to complete the exam. However, they should **NOT** collaborate with their current classmates. A basic scientific calculator is allowed on midterm and final exam. A cell phone app cannot be used as a calculator. Graphing calculators are not permitted. Because students will be able to complete the exams at their own pace, ***late exams will NOT be accepted. Exams submitted after the due date will NOT be accepted, so students should leave sufficient time for submission.*** Students should submit exams early to avoid internet and other technology issues. Students may **NOT** post the exam/ or any portion/questions thereof on any course material sharing sites such as Chegg, Course Hero, Bartleby's, Study Doctor, or Reddit. Collaborating with classmates, looking up questions online, and posting questions online are considered violations of the university's academic integrity policy. Anyone found to have cheated in this manner will receive a course grade of F\*, which is failure for reasons of academic dishonesty. **There are no exceptions to this policy.** Students should **NOT** seek the help of former students, tutors, or online message boards

**Grading Policy:** The following are the weights given to assignments, exams and quizzes:

Attendance + Class Participation	10%
Homework Assignments	30%
Exam 1	30%
Exam 2	30%

**Grading Scale:** Final grades will be assigned based on the following scale:

A 93%-100%	C+ 77%-79.9%
A- 90%-92.9%	C 70%-76.9%
B+ 87%-89.9%	D 60%-69.9%
B 83%-86.9%	F< 60%
B- 80%-82.9%	FX Failure for reason of non-attendance

In order to ensure that all students are treated equally, final grades will not be rounded.

**Incomplete Grades:** Students should be familiar with the incomplete grade policies of the university (<https://catalog.buffalo.edu/policies/explanation.html>)

**Academic Honesty:** Students should be familiar with the academic integrity policy of the university (<https://catalog.buffalo.edu/policies/integrity.html>)

**Extra-Credit:** I might give extra-credit opportunities to students based on the progress of the class. I will be providing the details later during the semester.

**COVID-19 Protocols:**

- Stay tuned for the latest updates and news regarding the [UB Health and Safety Guidelines](#).
- Masks are required inside buildings regardless of vaccination status. Individuals may remove their masks when actively eating and drinking if they are able to maintain proper physical distancing. Before and after eating, masks must be worn properly over the mouth and nose.
- Individuals who are experiencing any COVID-19 related symptoms should not attend in- person lectures.
- In the event a UB student meets the criteria for possible infection/ COVID19 symptoms/ tested positive should inform the instructor immediately via EMAIL. UB Student Health Services will coordinate with the Erie County Department of Health for further guidance and direction. [Student Health Services has plans](#) in place and is prepared to isolate students, monitor their symptoms and coordinate with local and state health authorities to ensure they receive proper care.

**Expectations for student behavior:**

- Punctuality/ Muting themselves upon entering the class
- Seeking help when needed
- Offering feedback whenever appropriate
- Student participation during online class by unmuting themselves/ using the chat window/ raise hand option
- Keeping phones on silent and should not browse the internet/ play games etc during class time

**Accessibility Resources:** If you require classroom or testing accommodations due to a disability, please contact Accessibility Resources. You can reach AR in person in 60 Capen Hall, by phone at (716) 645-2608, or by email at [stu-accessibility@buffalo.edu](mailto:stu-accessibility@buffalo.edu). Please inform me as soon as possible about your needs so that we can coordinate your accommodations. (<https://www.buffalo.edu/studentlife/who-we-are/departments/accessibility.html>)

**Critical Campus Resources:** As a student, you may experience a range of issues that can cause barriers to learning or reduce

your ability to participate in daily activities. These might include strained relationships, anxiety, high levels of stress, alcohol/drug problems, feeling down, health concerns, or unwanted sexual experiences. Counseling, Health Services, and Health Promotion are here to help with these or other issues you may experience. You can learn more about these programs and services by contacting:

Counseling Services: 120 Richmond Quad (North Campus), 716-645-2720 202;

Michael Hall (South Campus), 716-829-5800

Health Services: Michael Hall (South Campus), 716-829-3316

Health Promotion: 114 Student Union (North Campus), 716-645-2837

Title IX Coordinator: 716-645-2266

Crisis Services Campus Advocate: 716-796-4399

UB Campus Police: 716-645-2222

Student Life Emergency Funds: <https://www.buffalo.edu/studentlife/help/emergency/emergency-funds.html>

**Tentative Course Outline: *Additional details will be posted on UBLearns.***

Although the intention is to follow this schedule as closely as possible, there will be times when deviation will be necessary. Changes will be announced as early as possible so that students will be able to adjust their schedules accordingly. Due dates and the most accurate schedule of content will be posted to UBLearns.

Week	Date	Topic	Lecture (In- person + Remote + Recorded)	Recitation (Remote + Recorded)	Due Dates
Week 1	5-Jan	Introduction; Ten Principles of Economics (Concepts only) - Ch 1	Yes		
	6-Jan	Thinking like an Economist - Ch 2	Yes	No	
	7-Jan	Interdependence and Gains from Trade - Ch 3	Yes		
Week 2	10-Jan	The Market Forces of Demand & Supply - Ch 4	Yes		
	11-Jan	Measuring a Nation's Income - Ch 5	Yes	Yes	
	12-Jan	Measuring the Cost of Living - Ch 6	Yes		Assignment 1 (Ch 1, 2, 3, 4) Due 12 Jan (11:59PM)
	13-Jan	Savings, Investment, and the Financial System - Ch 8	Yes	Yes	
	14-Jan	Unemployment - Ch 10	Yes		Assignment 2 (Ch 5, 6) Due 14 Jan (11:59PM)
Week 3	17-Jan	<b>Exam 1 (Ch 1, 2, 3, 4, 5 and 6)</b>	No		
	18-Jan	The Monetary System - Ch 11	Yes	Yes	
	19-Jan	Money Growth and Inflation - Ch 12	Yes		
	20-Jan	Aggregate Demand & Aggregate Supply - Ch 15	Yes	Yes	Assignment 3 (Ch 8, 10, 11) Due 20 Jan (11:59PM)
	21-Jan	The Influence of Monetary & Fiscal Policy on Aggregate Demand - Ch 16 (Concepts only)	Yes		Extra Credit Assignment Due 21 Jan (11:59PM)
Week 4	24-Jan	Final Exam Review	Yes		Assignment 4 (Ch 12,15,16) Due 24 Jan (11:59PM)
	25-Jan	<b>Exam 2 (Ch 8, 10, 11, 12, 15, 16)</b>	No	No	

**Podcasts:** There are a lot of good (and some not so good...) podcasts that relate to this class. While I do not myself listen to podcasts (I prefer to read rather than watch/listen), I have sampled the podcasts below and had recommendations from other instructors that I respect. I hope you enjoy them!

- [NPR Planet Money](#) (I do receive this newsletter!)

- [Think Like an Economist](#) (the hosts have also written an excellent intro econ textbook)

### **Additional Readings (Optional):**

#### Supply and Demand:

- [After GameStop, A Better Way to Take on Wall Street?](#) (Greg Rosalsky, Planet Money, 9 Feb 2021)

#### Government Intervention in the Market (Price Controls)

- [How a Minimum-Wage Increase Is Being Felt in a Low-Wage City](#) (Sydney Ember, The New York Times, 14 Feb 2021)
- [How Poverty Makes Workers Less Productive](#) (Greg Rosalsky, Planet Money, 2 Feb 2021)
- [What McDonald's Shows about the Minimum Wage](#) (Greg Rosalsky, Planet Money, 16 Feb 2021)

#### The Big Picture and Measuring National Production

- [Rethinking GDP and Wealth in the 21st Century](#) (Kurt Cagle, Forbes, 15 Aug 2019)
- [What is Gross Domestic Product?](#) (Marginal Revolution University, 18 Nov 2015)
- [Circular Flow](#) (Federal Reserve Bank of St. Louis)
- [Moving Beyond GDP](#) (Greg Rosalsky, Planet Money, 14 Jan 2020)
- [St. Louis Fed Economic Forecasting Game](#)

#### Measuring the Price Level

- [Pandemics Upend Classic Measures of Inflation](#) (Tyler Cowen, Bloomberg Opinion, 26 Aug 2020)
- [When Is A Dollar Not A Dollar? States and the Cost of Living](#) (Chuck DeVore, Forbes, 6 Aug 2019)
- [What is Consumer Price Index?](#) (NBC News, 5 Jun 2014)
- [Measuring Inflation](#) (Marginal Revolution University, 10 Jan 2017)
- [The Great Inflation](#) (Planet Money, 20 Nov 2015)

#### Unemployment and Inflation

- [Real Unemployment Rate Closer to 10 Percent, Says Fed Chair Jerome Powell](#) (Lucy Bayly, NBC News, 10 Feb 2021)
- [Why Women Are Leaving the Workforce](#) (Stacey Vanek Smith and Cardiff Garcia, The Indicator, 20 Oct 2020)
- [Unemployment Is So Bad That These Economists Are Proposing a New Way to Measure It](#) (Catherine Rampell, The Washington Post, 16 May 2020)
- [Is Unemployment Undercounted?](#) (Alex Tabarrok, George Mason University)
- [Labor Force Participation](#) (Alex Tabarrok, George Mason University)
- [The Long French Goodbye](#) (Cardiff Garcia and Stacey Vanek Smith, The Indicator, 5 July 2018)
- [Fastest Growing Occupations](#) (US Bureau of Labor Statistics, 1 Sept 2020)

#### Measuring Unemployment and Inflation

- Hyperinflation: [World Hyperinflations](#) (Steve H. Hanke and Nicholas Krus, Cato Institute Working Paper, 15 Aug 2012)

#### The Financial System

- [Cat Beats Professionals at Stock Picking](#) (Frederick E. Allen, Forbes, 15 Jan 2013)
- [The Financial Sector - Bonds, Stocks, and Shares - Should You or Shouldn't You?](#) (Think Like an Economist)

#### Money and Banking

- [What Gives a Dollar Bill Its Value?](#) (Doug Levinson, TedEd)
- [The Great Onion Corner and the Futures Market](#) (Keith Romer, Morning Edition, NPR, 22 Oct 2015)
- [The World's Unbanked, in 6 Charts](#) (Camilla Hodgson, World Economic Forum, 6 Sept 2017)
- [Venezuela Crisis: Lack of Cash Leads to Bartering](#) (Guillermo Olmo, BBC Mundo, 13 April 2019)
- [A Chemist Explains Why Gold Beat Out Lithium, Osmium, Einsteinium...](#) (Jacob Goldstein and David Kestenbaum, Planet Money, 19 Nov 2010)
- [Ming Banknote](#) (Anthony Denselow, A History of the World in 100 Objects, BBC Radio)

#### The Federal Reserve System and Monetary Policy

- [Demonetization in India](#) (Gabriel Chodorow-Reich, Harvard)
- [Journey to the Center of the Fed](#) (Jacob Goldstein and Robert Smith, Planet Money, 8 May 2020)

#### Traditional, Unconventional, and Modern Monetary Policy

- [How Does the Fed Influence Interest Rates Using Its New Tools?](#) (Jane Ihrig and Scott Wolla, The Federal Reserve Bank of St. Louis, 5 Aug 2020)
- [Powell Announces New Fed Approach to Inflation that Could Keep Rates Lower for Longer](#) (Jeff Cox, CNBC, 27 Aug 2020)
- [Why Is the Fed Sending Billions of Dollars All Over the World?](#) (Greg Rosalsky, Planet Money, 21 April 2020)
- [Venezuela's Hyperinflation Hits 10 Million Percent](#) (Valentina Sanchez, CNBC, 3 Aug 2019)
- [A Conversation with Janet Yellen](#) (Cardiff Garcia, Stacey Vanek Smith, The Indicator, 25 Aug 2020)

#### Aggregate Demand and Aggregate Supply

- [What 1919 Teaches Us about Pent-Up Demand](#) (Greg Rosalsky, Planet Money, 21 Jan 2021)
- [The Dark Side of the Recovery Revealed in Big Data](#) (Greg Rosalsky, Planet Money, 27 Oct 2020)
- [Game of Theories: The Great Recession](#) (Tyler Cowen, George Mason University)
- [The Great British Bicycle Bubble](#) (Paddy Hirsch and Stacey Vanek Smith, The Indicator, 31 Dec 2019)

#### International Macroeconomics

- [75 Years Ago, the US Dollar Became the World's Currency. Will That Last?](#) (Greg Rosalsky, Planet Money, 30 July 2019)