ECON 134 C Principles of Macroeconomics
Colby College | Department of Economics

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Diamond 351 | By Appointment
MW 4-5PM & TR 11-11:40AM
https://bchen.youcanbook.me

Note: When you reach out to me via email, please indicate in the "**Subject: E134**." Throughout the course, please make sure that you can receive announcements timely in email via Moodle.

Prerequisite
Principles of Microeconomics

Meetings
TR 8:00-9:15 AM, DIAM 342

Description
This introductory course teaches macroeconomic concepts, measurements, theories and models widely encountered in business news, financial markets, and policy briefs. Compared with microeconomics, which studies households and business decisions and the functioning of markets, macroeconomics examines aggregate economic phenomena such as national income (output), labor market conditions, inflation, money, interest rates, business cycles, the empirical relationships between these variables and their policy considerations. The lecture centers on data interpretation, economic intuition, and policy relevance. Format: lectures and discussions, polls and quizzes, problem sets, exams, expert-led videos, student presentations, and a research project.

Objectives
The main goal is to learn the language and hammer home the analytical framework in macroeconomics. After completion, students will be able to approach the issues intuitively, graphically, and quantitatively.
- Familiarize with most widely discussed macroeconomic concepts and topics in the news media
- Apply price theory, money theory, and interest theory to a wide range of macroeconomic issues
- Relate the quantity theory to the measurements of macro phenomena and model their relations
- Characterize short-term economic fluctuations and long-term growth with data and theory
- Appreciate the role of expectations on macroeconomic outcome and policy effectiveness
- Explain the roles, goals, functions, and effects of U.S. monetary and fiscal policies
- Acquire basic computer skills in analyzing macro data and conduct relevant research
- Present and report real-time macroeconomic conditions and outlooks as economists

Textbook
[1] N. Gregory Mankiw (2021) *Principles of Economics*, 9e, Cengage [Link]
[2] Biwei Chen (2022) *Macroeconomics in One Equation: From Data and Theory to Applications,* Cognella.
Digital textbook materials are provided free of charge. For a color-print copy, students can order online ($34.95 + $9 delivery). To render the textbook affordable to students, the author has waived all royalties.

Website

Please check the course website regularly for updates on lecture materials, assignments, readings, videos, exam guides, course policies, and other resources. Lecture slides will be posted ahead of class meetings. Students shall read the material before the lecture and review afterwards. Note that the textbook slides are not complete and students are advised to take notes with equations, graphs, and models.

Evaluation

Student evaluation consists of Problem Sets (20%), Quizzes (10%), Midterm Exam (30%) and Final Exams (30%), Economic Outlook (10%), Research Project (10% optional). The overall evaluation is a letter grade converted from the percentage scale taking into account the entire class distribution.

- Problem sets will be assigned every week with extra credit opportunities. Format: analytical and quantitative applications of economic theories and models. Students are encouraged work in groups but must submit independent solutions. The total grades for all problem sets are capped at 20%.

- Quizzes. Weekly short quizzes throughout the semester and the highest ten will be taken for credit. Format: multiple-choice questions on basic concepts, models, and calculations. Due to extra opportunities, no make-up quizzes will be rescheduled for absent or late students.

- Economic Outlook. After the midterm, a group of students can choose a non-US country or region of interest, prepare a short presentation (10-15 minutes), and report its current macroeconomic conditions and future outlooks. Refer to Projects for instructions.

- Research Project. Students can choose one of the macroeconomic research project of which the topics and instructions are provided by the instructor. The project is designed to help students bridge the gap between data, theory, and practice. The project is substitutable for 10% of the exam grades.

- Midterm and final exams will not be rescheduled because of travel and other personal arrangements. In the case of a documented emergency or conflicts with the scheduled exam date, a make-up exam will be given (or with the pre-approval from the instructor).

- Attendance and classroom. Department-wise policy applies. Without a valid excuse, late attendance and absences will negatively impact student's grade. Cellphones and other digital devices are not permitted during the lectures and exams unless otherwise instructed. Please maintain mutual respect and courtesy throughout the class. Content-related discussions and questions are encouraged.

Colby College supports the religious practices of students, faculty, and staff. Students are expected to notify instructors of their intent to fulfill the obligations of their religious tradition well in advance of these days. For this class, students are responsible for notifying the instructor by email at least two weeks in advance of the date in question. **Please note that all assignment deadlines are firm and late submission will not be accepted due to various extra credit opportunities.**

Grading Metrics and Letter Grades (based on a 100% scale)			
A+ 97~100	B+ 87~89	C+ 77~79	D+ 67~69
A 93~96	B 83~86	C 73~76	D 63~66
A– 90~92	B– 80~82	C– 70~72	D– 60~62

Tentative Schedule

Week	Key Topics	Readings
W1	Course Logistics, Introduction, and Overview The U.S. Economy and the Quantity Equation	Syllabus L1.1 L1.2 L1.3
W2	Scientific Methodology in Macroeconomics Evolution and Revolution of Economic Thought	L1.4 L1.5 CH 1 2 4
W3	Macroeconomic Measurements: National Income and Wealth Macroeconomic Measurements: Income and Wealth Inequality	L2 CH 23
W4	Macroeconomic Measurements: Labor Market Conditions Economic Theory and Models: Causes of Unemployment	L3 CH 28
W5	Macroeconomic Measurements: Price Level and Inflation Understanding Inflation: Costs, Effects, and Causes	L4 CH 24 CH 30.2
W6	Macroeconomic Measurements: Money and Interest Rates Macroeconomic Measurements: Financial Markets	L5.1 5.2 CH 29.1 CH 27 CH 26
W7	Macroeconomic Theory: The Quantity Equation of Money Macroeconomic Theory: The Money Market Equilibrium	L5.3 CH 30.1 L5.4 CH 30.1
W8	**Review and Midterm Exam: TBA (Mid-Oct.)**	
W9	Business Cycle Stages: Expansion and Recession Business Cycle Fluctuations: Data, Facts, Patterns	L6.1 CH 33
W10	Inflation and Unemployment: The Phillips Curve Output and Unemployment: The Okun's Law	L6.2 CH35 L6.3
W11	Macroeconomic Theory: The AD-AS Model Macroeconomic Theory: Rational Expectations	L6.4 CH33 CH35
W12	Federal Budget Process and Fiscal Policy Effects Fiscal Sustainability of Federal Budget Deficit and Debt	L7 CH 34.2 34.3 CH 36.2 36.5 36.6
W13	Introduction to Central Banking and Monetary Policy Monetary Policy Framework, Tools and Instruments	L8 CH 29.2-29.4 CH 30.1 CH 34.1
W14	Global Economy: International Trade and Finance	L9 CH 31 32
W15	**Review and Final Exam: TBA**	

Note: "L" stands for lectures from Chen (2022); "CH" refers to chapters from Mankiw (2021)
No classes on Oct. 10M & 11T; No classes on Nov. 23W-27; Last day of class Dec. 9F [Link]
Last day to drop Oct. 21; last day to withdraw Dec. 9 (Class of 2026) [Link]

Get the Most Out of this Course
- Attend lectures, office hours, and study groups
- Prepare the readings ahead of lecture (textbook slides)
- Take notes during lectures (lecture slides are incomplete)
- Pay attention to course announcements and instructions
- Start early to work on assignments in groups and alone
- Review the lectures afterwards with your study groups
- Clarify confusion and correct mistakes from assignments
- Seek help and guidance when puzzled or get stuck
- Practice makes perfect. Ask, ask, ask questions

Time-on-Task Expectations

Learning activity	Comments and formats	Minimum time on task	Total hours
Ahead-of-lecture textbook reading	Overview topics/concepts Prepare to ask questions	About 1 to 2 hours per chapter	15 to 30 hours
Lecture meetings	Rigorous introduction, analysis, and Q&A	About 50 minutes per meeting including quizzes & presentations	40 hours
Lecture review (including videos)	Focus on lecture notes, examples & applications	About 2 to 4 hours per week for previous lecture slides and notes	20 to 40 hours
In-class quizzes	Basic concept and calculation	Preparation: 1 to 2 hours per week In-class about 10 minutes per week	10 hours
Problem sets	Short answers: analytical and quantitative applications	About 3 to 5 hours per week	30 to 50 hours
Exam preparation	Multiple choice & analytical Basic concepts & application	Midterm preparation: 10-15 hours Final preparation: 15-20 hours	25 to 35 hours
Enhanced readings (optional)	Expert encyclopedia on key topics in microeconomics	About 2 to 3 hours per week on average for 3 to 5 articles	30 to 40 hours
Economic outlooks	Student group presentation with PPT in class around 15 minutes	Preparation: 5 to 10 hours Data collection and writing	5 to 10 hours
Research project (optional)	Real-world applications of microeconomic analysis	About 5 to 10 hours per week for 4 weeks before final exam	20 to 40 hours
		Total time expected: 150-200 hours	

Covid-19 Policy & Procedures https://covid19.colby.edu/covid-19-health-and-safety/
Academic Procedures https://www.colby.edu/catalogue/2014/06/03/academic-procedures/
Colby Plan https://www.colby.edu/catalogue/2014/06/03/colby-plan-mission-and-precepts/
Religious Holidays & Events https://life.colby.edu/what-to-do/spiritual-life/holiday-calendar/

Academic Integrity https://www.colby.edu/academicintegrity/academic-integrity-on-the-syllabus/

Academic dishonesty is a serious offense against the college. Sanctions for academic dishonesty are assigned by an academic review board and may include failure on the assignment, failure in the course, or suspension or expulsion from the College for multiple academic dishonesty findings.

Students are expected to exhibit extreme care relative to personal honesty in all academic work, including in-class and out-of-class learning experiences, such as exams, quizzes, essays, problem sets, journals citation, papers and research projects. Posting an exam, assignment, or answers to them on an online forum (before, during, or after the due date), in addition to consulting posted materials, constitutes a violation of the Academic Honesty policy. Likewise, unauthorized use of live assistance websites, including seeking "expert" help for specific questions during an exam, can be construed as a violation of the policy. Dishonest work includes but is not limited to the following:

- Obtaining aid or information without giving due recognition to the sources of such aid or information. Such dishonesty encompasses 1) asking to copy or copying other students' work to claim as one's own on an exam or assignment of any kind and 2) all forms of plagiarism.
- Plagiarism includes using ideas, words or phrases from any source without citing that source and downloading or purchasing papers or parts of papers from others or the Internet and claiming such work as one's own.
- Giving aid or information when it is clearly inappropriate to do so, such as providing answers for an exam or writing a portion of a paper or an entire paper for someone, including selling one's work.

Plagiarism: Presenting the work of another person as one's own work (including papers, words, ideas, information, computer code, data, evidence-organizing principles, or style of presentation of someone else taken from the Internet, books, periodicals or other sources). Plagiarism includes:
- quoting, paraphrasing or summarizing without acknowledgment, even a few phrases
- relying on another person's data, evidence or critical method without credit or permission
- failing to acknowledge the source of a major idea or ordering principle central to one's own paper
- submitting another person's work as one's own; using unacknowledged research sources gathered by someone else

Unauthorized Collaboration: Collaboration on projects, papers, computer programs or other academic assignments that have been prohibited by the instructor.

Misrepresenting or fabricating material, including misleading citation of sources as well as falsified or fabricated data or results from experiments or other analyses. Misrepresenting facts related to academic performance, including the justification of absences, late assignments and other activities.

Avoid Plagiarism https://libguides.colby.edu/avoidingplagiarism

Plagiarism Exercise https://plagiarism.arts.cornell.edu/tutorial/exercises.cfm