

180.101.21 Elements of Macroeconomics  
Johns Hopkins University  
Summer 2018  
**Syllabus**

**Location:** Olin 304  
**Lecture Times:** Mon, Wed, Fri 2:00 pm - 5:00 pm (July 2- August 3)  
**Instructor:** Pavel Solís  
**Email:** [msolism1@jhu.edu](mailto:msolism1@jhu.edu)  
**Office Hours:** Mon 12:30 - 1:30 pm, or by appointment, in Gilman Atrium  
**Course Website:** <https://pavelsolis.github.io/teaching>

### Course Description

This course introduces basic concepts and models in macroeconomics and applies them towards gaining an understanding of recent events and current policy issues. We shall cover a broad range of topics including national income and output, unemployment, the price level and inflation, money, interest rates, exchange rates, monetary and fiscal policies. We will also analyze the 2008-09 financial crisis and its impact on the economy. *Prerequisites:* Basic facility with graphs and algebra.

### Course Materials

The textbook for the course is: **Macroeconomics**, by R. G. Hubbard and A. P. O'Brien, 7th Edition, Pearson Education.

(Optional) Study Guide for Hubbard and O'Brien's Macroeconomics, 5th Edition, Pearson Education.

The textbook is available at the bookstore. The chapters that are listed in the course calendar below are required readings, it is strongly recommended that you keep up with them. The course is cumulative, one lecture's material depends upon the previous lectures. You are thus urged to keep up with the course on a regular basis.

The slides for each lecture will be posted in advance, you can print and use them to take notes during class. **Note:** The slides supplement the lecture; do not rely exclusively on the slides.

All course materials, including slides, problem sets, answers to problem sets and the midterm, recommended readings from the press, videos about current macroeconomic developments and pertinent announcements will be posted on the course website.

## Grading

There will be a midterm and a final exam, along with weekly problem sets. The final course grade will be determined as follows:

|               |     |
|---------------|-----|
| Participation | 10% |
| Problem sets  | 20% |
| Midterm exam  | 30% |
| Final exam    | 40% |

**Important policy:** Students will be excused from an exam only in the event of illness, family emergency, or other extreme circumstance. In order to be excused, a student must notify me by email *before* the exam begins. A physician, the Student Health & Wellness Center, or Academic Advising must subsequently verify any reported events in writing. If a student fails to follow both steps, he or she will not be excused from the exam and will receive a failing grade for the exam. A student who has been properly excused from the *midterm* will not take a make-up exam; instead, his or her course grade will be based on his or her other grades with revised weights. A student who has been properly excused from the *final* exam will take a make-up.

Students will not be allowed to use any notes, books, calculators, or computers on exams (except as specifically allowed for the accommodation of disabilities, see below).

## Academic Dishonesty

The strength of the university depends of academic and personal integrity. In this course, you must be honest and truthful. Ethical violations include cheating on exams, plagiarism, re-use of assignments, improper use of the internet and electronic devices, unauthorized collaboration, alteration of graded assignments, forgery and falsification, lying, facilitating academic dishonesty, and unfair competition. Report any violations you witness to the instructor.

Students are welcome to discuss problem sets with one another, but each student must write and submit his or her own answers.

## Disability Accommodations

Any student who requires disability accommodations for the course should meet or email me as soon as possible to make the necessary arrangements. Please bring a copy of the accommodation letter from the Office of Student Disability Services (Garland 385, 410-516-4720, [studentdisabilityservices@jhu.edu](mailto:studentdisabilityservices@jhu.edu)).

## Course Calendar

| Lecture                | Date     | Topic   | Reading  |
|------------------------|----------|---|--|
| Fundamentals           |          |   |  |
| 1                      | July 2   | Key Economic Ideas  | Ch. 1, Ch. 1 Appendix  |
| 2                      | July 6   | Trade-Offs, Comparative Advantage, and Production Possibilities<br>Supply, Demand, and Prices | Ch. 2<br>Ch. 3   |
| 3                      | July 9   | Macroeconomic Variables and Concepts<br><br>GDP: Measuring Output and Income                  | Ch. 8, p. 252<br>Ch. 9, p. 278<br>Ch. 10, pp. 337-345<br>Ch. 8 |
| 4                      | July 11  | Inflation and Unemployment  | Ch. 9  |
| Long-Run Growth        |          |   |  |
| 5                      | July 13  | Long-Run Economic Growth  | Ch. 10, pp. 318-328<br>Ch. 11                                  |
| 6                      | July 16  | Saving, Investment, and the Financial System  | Ch. 6, pp. 186-191<br>Ch. 10, pp. 329-337                      |
| July 18                |          | Midterm Exam (2:30 pm – 4:30 pm)  |  |
| Short-Run Fluctuations |          |   |  |
| 7                      | July 20  | Aggregate Expenditure and Output<br>Changes in Income and the Multiplier Process              | Ch. 12   |
| 8                      | July 23  | Aggregate Demand and Aggregate Supply<br>Shocks to AD/AS                                      | Ch. 13   |
| 9                      | July 25  | Money, Banks, and the Fed   | Ch. 14   |
| 10                     | July 27  | Monetary Policy<br>Fiscal Policy  | Ch. 15<br>Ch. 16   |
| Open Economy           |          |   |  |
| 11                     | July 30  | Macroeconomics in an Open Economy   | Ch. 18   |
| 12                     | August 1 | International Financial System  | Ch. 19   |
| August 3               |          | Final Exam (2:00 pm – 5:00 pm)  |  |

## Important Dates

|                   |                        |
|-------------------|------------------------|
| Problem Set 1 due | July 9 <sup>th</sup>   |
| Problem Set 2 due | July 16 <sup>th</sup>  |
| Midterm Exam      | July 18 <sup>th</sup>  |
| Problem Set 3 due | July 25 <sup>th</sup>  |
| Problem Set 4 due | August 1 <sup>st</sup> |
| Final Exam        | August 3 <sup>rd</sup> |