

MACROECONOMICS
ПРИНЦИПЫ МАКРОЭКОНОМИКИ
School of Advanced Studies
Quarter 4, April 20 to June 13, 2020

Instructor/s: Ekaterina Svirina ekaterina.svirina@gmail.com

Available for consultation via pre-scheduled Zoom appointment

Contact Hours: 48

Type of Course: ECON Major

Meeting Times: Saturday, 12:30-14:00, 14:20-15:50, 16:00-17:30.

Course Description

Macroeconomics is about the growth of the economy and fluctuations in output, employment, and general level of price. The growth of output is extremely important because it makes higher levels of consumption and living standards possible. Fluctuations in output and prices can inhibit growth and generate economic hardship. Throughout the semester, we will examine appropriate fiscal and monetary policy actions for dealing with, output, unemployment, and inflation in our economy. Gaining from international trade and foreign exchange markets will also be explored.

Course Structure

The course includes 1 asynchronous lecture and 2 synchronous seminars on Zoom each week per topic discussed. The lecture introduces you to the conceptual part while seminars are devoted to task solving and discussing their limitations and implications.

Student Learning Goals

Students who successfully pass this course will be able to:

Learning goals	
Knowledge goal:	Develop your understanding of basic macroeconomic concepts, methods and models used in economic analysis
Knowledge goal:	Develop your understanding of the main conclusions derived from economic analysis and their policy implications
Practical skill:	Apply and use economic models to analyze real world issues

Required Coursework and Evaluation Criteria

The final grade for this course will be calculated as follows:

Assignment or Task	Due date/s	Percent
Problem Set Assignment	Weekly	40%
Quiz	Weekly	20%
Test	June 9th	40%

This course employs 7-median (the number of grades above 7 and the number of grades below 7 do not differ by more than 1).

All marks are provisional until the end of the course. The 7-rule WILL NOT be used in assessing individual assignments. It will only be applied to the final course marks, pending overall student performance. If general performance is low, a lower overall median/average may apply – if performance is outstanding, a higher overall median may apply.

Problem Set Assignment (40%)

The problem set assignment normally contains long-response questions on macroeconomics, demanding graphical and/or mathematical analysis and “true and false” questions. A good answer should include correct graphical and analytical reasoning, correct usage of the notions and methods. It will be sent to students’ emails as individual tasks to solve.

Quiz (20%)

There will be EIGHT quizzes in this class. Each quiz will be evaluated, the results will be combined and put as a final grade. Quizzes will be posted on Canvas and they will be restricted in timing.

A good quiz includes answering at least 80% of multiple-choice questions.

Final Test (40%)

The open-book test will take 90 minutes and contain three sections: multiple-choice section (5 questions), “true or false” section (choose one of two questions), long-response section (choose one of two questions). It will be carried out at the end of the module and it will be organized online. It is a final work that will be timed, posted either on Canvas or sent separately to students’ emails prior to the start.

Sample multiple-choice question

Potential output is:

The maximum an economy could conceivably make.

The output when every market in the economy is in long-run equilibrium.

The amount of production a country is striving for through technological innovation.

The output when there are no unemployed workers.

Sample “true or false” question

A cut in government spending will lead to a recession in an open economy with perfect capital mobility and a fixed exchange rate regime. True or false? Explain.

Sample long-response question

- a) How might a fall of five in investment demand cause a fall of 50 in equilibrium output?
- b) Given the following information about an open economy with government, draw the AD function and find the equilibrium level of income.
 $C = 100 + 0.7YD$ $I = 200$ $G = 150$ $t = 0.2$ $X = 100$ $z = 0.2$
- c) Now suppose that there is a warm-up in the global economy leading to an increase in aggregate investment up to 250; an increase in exports to 200 and an increase in the domestic marginal propensity to import to 0.3. On the diagram, show the new AD function and find the new equilibrium income level.

Assessment Criteria:

Satisfactory (C, or 3):

- 1) 3 out of 5 multiple-choice questions are answered correctly.
- 2) "true or false" question attempted and answered correctly.
- 3) Long-response question: at least three parts of the question are attempted.

Good (B, or 4):

- 1) 4 out of 5 multiple-choice questions are answered correctly.
- 2) "true or false" question attempted and answered correctly.
- 3) Long-response question: all parts of the question are attempted.

Excellent (A, or 5):

- 1) 5 out of 5 multiple-choice questions are answered correctly.
- 2) "true or false" question attempted and answered correctly.
- 3) Long-response question: all parts of the question are attempted.

A comprehensive and deep understanding of the subject is demonstrated. Mastery of relevant methods and techniques and an ability to deploy them with flair. Very extensive range and consistent accuracy of information and knowledge. An outstanding ability to solve unusual and demanding questions involving application of deep and comprehensive understanding of the subject and its methods. Outstanding structure.

Canvas and Other Course Resources

This course has a website on Canvas (<https://canvas.instructure.com/>). You should have received an invitation to join the course on Canvas two weeks before the start of classes. If you did not, double check your SAS email and then follow up with the instructor. All course readings, this syllabus, and any other course materials are available on Canvas.

All written assignments completed outside of class must be submitted via Canvas.

All lectures will be pre-recorded, each will be separated by 20-minute parts. The recordings will be downloaded in the Google Drive to which students will get access. As seminars will be hosted on Zoom, the course instructor will also use a virtual board. Students will be invited to work on it together with the instructor in a synchronous format on Zoom or in a Google classroom tool, Jamboard.

Course Literature

Here is a bibliography of literature that will assist you in studying and writing assignments. See the course schedule below for specific reading assignments.

Essential reading:

Begg, D., G. Vernasca, S. Fischer and R. Dornbusch Economics. (London: McGraw Hill, 2014) 11th edition [ISBN 9780077154516]. (Referred as **BVFD**)

Further reading

Krugman P., Wells R. Macroeconomics. (New York: Worth Publishers, 2015) 4th edition [ISBN-13: 978-1-4641-1037-5]. (Optional)

Course Policies and Expectations

The main textbook constitutes the most parts of the lectures and assumes that students haven't done any economics before and it starts from the basics. Students are required to really master it.

Although this course mainly uses diagrammatic representations accompanied by words, simple equations can also be a concise way of expressing an economic model, and you will need to become familiar with this approach. At this stage, the maths involved will be limited to simple algebra and elementary calculus.

During the seminar you are expected to be able to discuss the lecture and reading material, actively participate in solving task boxes. During Quiz students are supposed to work individually, cheating by using lectures, communicating with other students, surfing the web for answers is not acceptable.

Recommended self-study time is at least six hours per week. Please distribute your time carefully in order to be able to master the course.

Examination Format

The examination consists of a 90-minute test that includes the identification of ten quotations from required course readings and a written essay. For full details on the format and grading, see the SAS policies section below.

Course Schedule

Week	Date	Activity	Topics & Readings	Assignments
0	13.04 -19.04	-	No classes	-
1	25.04	Lecture asynch.	Introduction to macroeconomics: (Ch.15 BVFD) <ul style="list-style-type: none"> • The scope of macroeconomics • The circular flow of income • National income accounting 	Problem Set 1

			<ul style="list-style-type: none"> • How do you measure gross domestic product (GDP)? • National income identities • Real vs nominal GDP 	
	25.04	Seminar synch.	Introduction to macroeconomics (task solving): Discussing the lecture material (questions from the audience) Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning 	
	25.04	Seminar synch.	Introduction to macroeconomics (task solving): Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning Revision Quiz	
2	2.05	Lecture asynch.	Aggregate demand (Ch. 16,17 BVFD) What is the difference between actual and potential output? <ul style="list-style-type: none"> • Components of the aggregate demand: closed and open economy cases • Equilibrium output • Multipliers • The Paradox of thrift 	Problem Set 2
	2.05	Seminar synch.	Aggregate demand Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning 	
	2.05	Seminar synch.	Aggregate demand Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning Revision Quiz	

3	9.05	Lecture asynch.	Money and banking (Ch.18 BVFD) What is money? The role of money Demand for money: motives to hold money Supply of money How do banks create money? Equilibrium in the money market	Problem Set 3
	9.05*	Seminar synch	Money and banking Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning 	
	9.05*	Seminar synch.	Money and banking Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning Revision Quiz	
4	16.05	Lecture asynch.	Monetary and fiscal policy (Ch.19, 20 BVFD) Equilibrium in the goods market (IS curve) Equilibrium in the money market (LM curve) Monetary expansion, contraction Fiscal expansion, contraction Crowding-out effect Policy mix	Problem Set 4
	16.05	Seminar synch.	Monetary and fiscal policy Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning 	
	16.05	Seminar synch.	Monetary and fiscal policy Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning Revision Quiz	
5	23.05	Lecture asynch.	Aggregate demand and aggregate supply (Ch.21 BVFD)	Problem Set 5

			Wages and prices: Keynesian and Classical approach Long-run and short-run aggregate supply Demand shocks Supply shocks	
	23.05	Seminar synch.	Aggregate demand and aggregate supply Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning 	
	23.05	Seminar synch.	Aggregate demand and aggregate supply Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning Revision Quiz	
6	30.05	Lecture asynch.	Inflation and Unemployment (Ch.22, 23 BVFD) Quantity theory of money Short-run, long-run Phillips curve Inflation targeting, Costs of inflation Types of unemployment Causes of unemployment, Hysteresis	Problem Set 6
	30.05	Seminar synch.	Inflation Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning 	
	30.05	Seminar synch.	Unemployment Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning Revision Quiz	
7	6.06	Lecture asynch.	Open economy (part 1) (Ch.24 BVFD) Foreign exchange market	Problem Set 7

			Exchange rate regimes Balance of payments Capital mobility Internal and external balance	
	6.06	Seminar synch.	Open economy (part 1) Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning 	
	6.06	Seminar synch.	Open economy (part 1) Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning Revision Quiz	
8	13.06*	Lectures asynch.	Open economy (part 2) (Ch. 25 BVFD) Price and output adjustment under fixed exchange rates Monetary and fiscal policy under fixed exchange rates Monetary and fiscal policy under floating exchange rates	Problem Set 8; Final Test
	13.06*	Seminar synch.	Open economy (part 2) Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning 	
	13.06*	Seminar synch.	Open economy (part 2) Discussing the lecture material Task solving practice: <ul style="list-style-type: none"> • Math boxes • Graph analysis • Reasoning Revision Quiz	

* the class shall be rescheduled due to governmental holidays / being past module schedule

SAS Policies for Online Courses

Please note the addition and updating of policies to reflect the realities of online teaching in Q4.

Technical Requirements and Responsibilities for Online Education

Professors and students are responsible for ensuring they have access to a computer and a stable Internet connection during all scheduled class meetings. This is to ensure that students get the most out of the online education format. If you have problems with your Internet, smartphones may be used as a backup option (as a wifi hotspot or to participate in class).

Course materials and all assignments will be made available on Canvas; all synchronous class meetings will be conducted over Zoom. All communication about the course and assignments must happen over Canvas or official email. The use of any supplementary platforms (discussion boards etc.) is at the discretion of the instructor.

Professors are required to post all resources for online teaching via Canvas before the start of each week. This includes: Any nonsynchronous lesson material, the invitations for individual Zoom meetings, and any other materials required to complete the course.

All synchronous classes will be recorded and made available via Canvas on the same day for a minimum of one week. These recordings are only for teaching purposes and should not be shared.

Etiquette for Online Classes

Professors and students should join Zoom a few minutes before class in order to have time to solve any technical problems. When you join a class, your microphone will be muted. Individual professors will decide how to run class discussions and whether to enable such features as chat. As a general rule of thumb, you should mute your microphone when you are not speaking.

In seminars, students are required to make themselves visible. If you have concerns about what is visible, then either take the time to “curate” your environment or consider using the background option in Zoom. During lectures, you are welcome to turn off your video.

Students should feel free to contact the professor or Head of Education (d.kontowski@utmn.ru) to discuss any concerns that may arise concerning online delivery of the course (i.e., technical issues, course material availability, access to apps, communication challenges, and changes to syllabus or schedule). Don't wait until course evaluations to draw attention to your concerns!

Technical Emergencies Protocols

Students who have difficulty getting online to attend a synchronous class or complete an assignment, should contact the professor immediately according to the specific instructions provided in the syllabus (i.e., via telephone, SMS, or email). Follow the below instructions concerning making up classes missed due to technical problems.

If your professor is not online for the start of a class session, keep Zoom open and check your email. If the professor does not come on-line or send a message to clarify the situation within 10 minutes after the official starting time, class is cancelled. Both the professor and a designated student should alert the Head of Education about the situation. Missed classes will be rescheduled; update class times to be shared via Canvas and Moodle.

Attendance and Absences

Zoom has an attendance feature that will be used to record attendance. Attendance is required for all synchronous classes or required online activities (i.e., designated asynchronous tasks, timed assignments, group work meetings, etc.) and will be recorded on a grading sheet. Students can miss up to two classes without an excuse; every further absence will see the final mark lowered by 1 point for each class missed (i.e., a student who misses 6 class meetings without prior approval or a valid excuse cannot pass a course). Missing more than 15 minutes of scheduled online class is considered an absence, unless the student has received prior approval from the Head of Education.

If you plan to miss a class due to a legitimate conflict (i.e. attendance of a student conference), you must apply to the instructor for an approved absence at least seven days in advance and CC Head of Education. Without advanced approval, it will count as a missed class.

If you are sick, email all your instructors and Alyona Bunkova (a.bunkova@utmn.ru) as soon as possible to notify them that you will be missing class. They will follow up with you with any necessary arrangements related to your illness.

If you need to miss a class due to something that arises at short notice (i.e., bureaucracy that needs to be dealt with, an emergency at home), email the instructor as soon as possible to notify them about your absence. Should a student have repeated problems with attendance, the instructor will notify the Head of Education.

Making Up Classes Missed for Legitimate Reasons

Students who miss a synchronous class session to a legitimate conflict, an emergency that arises at short notice, or a technical problem will be required to watch the recording of the class and submit a written summary of the key points of the class, including any questions that you have about the content. This should be sent to the instructor via email within 48 hours of the ending of the class in order to receive credit. If a technical problem emergency situation persists beyond 48 hours, an extension may be granted. Students who are sick should watch the videos of missed classes in order to keep up on courses, but they are not required to submit written summaries.

Extensions for Assignments

All assignments must be submitted by their due dates. Extensions will be granted only when ill health, death of a loved one, or personal difficulties of a serious nature near the due date prevent completion of an assignment. As the due dates for assignments are stated in the syllabus, the pressure of other university work or extracurricular activities will not be accepted as a reason for an extension.

If you require an extension, you must write to your instructor at least three working days in advance. Clearly explain your situation and provide any necessary documentation (such as a medical certificate) to Alyona Bunkova. Your instructor should reply to you within one day; you will be notified by email about whether an extension has been granted.

Late Assignments

Late assignments will be penalized by a full grade deduction for each day of lateness. For example, an essay submitted three days late that received a mark of 7 would be reduced to 4. Late assignments will not be accepted once graded assignments are returned or after June 11. The acceptance of late assignments for minor assessments (worth 10 percent or less of the final mark, including minor tasks completed during class hours) is left up to the discretion of individual instructors.

Rescheduling of Classes or Substitution of Instructor

Should a course be unable to meet at its regular time, the instructor will liaise with Alyona Bunkova to approve the change and to find a different time that suits both the instructor and students. Should this occur, all involved will receive an email notification from Alyona Bunkova about the changed schedule and any schedule changes will appear in Moodle. If the instructor requires a substitute to replace them, students will be notified by email.

Grading

SAS uses a ten-point grading system. Grades from 0 to 3 are failing grades. Grades from 4 to 10 are passing grades. 10 and 9 are excellent grades given in exceptional circumstances.

In most courses, SAS faculty are obliged to follow the 7-rule. This may be calculated either as a "median" (the number of grades above 7 and the number of grades below 7 do not differ by more than 1) or an average (the average final grade for all students should fall between 6.50 and 7.49). The 7-rule may be applied to each assignment OR only to the final course marks. Exceptions to this rule are only granted by the Teaching Council.

Examinations

The examination will consist of a 90-minute written test that includes the identification of ten quotations from required course readings and a written essay. The use of any electronic devices is prohibited. The student must: 1) Attribute the given quotations; identify the sections of the texts (such as a chapter) where the quotations are taken from as well as their authors, titles, and year of publication. 2) Based on the given quotations, write an essay in English (1000–1500 words) analyzing semantic relationships between the texts where these quotations are taken from.

Assessment Criteria:

Satisfactory (C, or 3):	Good (B, or 4):	Excellent (A, or 5):
1) All quotations are attributed correctly;	1) all quotations are attributed correctly;	1) all quotations are attributed correctly;
2) The essay is written in English (no less than 1000 words) in accordance with the following requirements: a) in the essay, there is a sequential logic structure (introduction, body, and conclusion); b) the essay demonstrates satisfactory knowledge and understanding of all texts analyzed; c) the essay contains at least five exact quotations, different from the attributed quotations in assignment 1, illustrating the main ideas of the essay and formatted in accordance with the GOST 2008 (State Standard 2008).	2) the essay is written in English (no less than 1000 words) in accordance with the following requirements: a) in the essay, there is a sequential logic structure (introduction, body, and conclusion); b) the essay demonstrates good knowledge and understanding of all texts analyzed; c) the essay contains at least seven exact quotations, different from the attributed quotations in assignment 1, illustrating the main ideas of the essay and formatted in accordance with the GOST 2008 (State Standard 2008).	2) the essay is written in English (no less than 1000 words) in accordance with the following requirements: a) in the essay, there is a sequential logic structure (introduction, body, and conclusion); b) the essay demonstrates excellent knowledge and understanding of all texts analyzed; c) the essay contains at least nine exact quotations, different from the quotations in assignment 1, illustrating the main ideas of the essay and formatted in accordance with the GOST 2008 (State Standard 2008).

Course Evaluations

Toward the end of the quarter, students will be asked to complete an anonymous evaluation of the course. The results of the evaluations will be reviewed by the instructor, the Head of the Education Office, and the Teaching Council in order to improve education at SAS.

Academic Integrity

Students are expected to comply with the SAS Academic Integrity Document (see English version [HERE](#) or Russian version [HERE](#)). Cheating, plagiarism, and disrespectful behavior will not be tolerated and *must* be sanctioned by the instructor in accordance with the document. The use of any translation applications (Google Translate etc.) is highly discouraged. Students are required to cite any sources employed in written assignments using the citation style listed in the syllabus.

Online assignments will be “open book,” meaning that you can look at course reading materials and notes while answering the questions. However, the Academic Integrity still applies. That means: You must not communicate with anyone; your answers will be your own work; and you will not use Google Translate. You are discouraged from searching the Internet for answers, as you will run out of time, may risk violation of the Academic Integrity Policy, and will likely do worse than if you simply answer with the knowledge you already have.

Date Syllabus Last Updated: 16.04.20