

**Georgetown Summer School 2015**

**June 1 – July 3**

**ECON-002-10**

**Principles of Macroeconomics**

**Instructor: Kersten Stamm**

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**Lecture**

**M-Th, 1:00 – 3:00 p.m.**

**ICC 117**

**Office Hours**

Thursdays, 3:15 – 4:15 or by appointment.

**Course Description:** This course is an introduction to macroeconomics and its applications. We will look at common models of the national economy to analyze various parts of the economy, for example economic policy making and the recent financial crisis. Topics to be covered include gross domestic product, cost of living, money, inflation, aggregate demand and supply, short and long-run equilibrium, fiscal policy, monetary policy, government debt, international trade, and economic growth. The learning objective is to equip students with the knowledge to understand key issues:

- Basic economic theory, the gains from trade and how to use graphs as a tool.
- How to calculate GDP, price level, unemployment rate, nominal and real interest rates.
- The sources of economic growth.
- The U.S. banking system and the Federal Reserve System.
- The effects of changes in money on prices and interest rates in the long run.
- Short-run fluctuations in the economy using the concepts of aggregate supply, aggregate demand, long-run aggregate supply and expectations.

**Text:** N. Gregory Mankiw, Principles of Macroeconomics 7<sup>th</sup> edition. Older editions are fine as well. NOTE: We will only use the book, there is no need to buy access to online resources.

**Grades**

**Short Quizzes**

- Short quizzes (25%): 1-2 quizzes at the beginning of class per week. Quizzes are pass / fail.

**Homework**

- Homework Assignments (25%): 1-2 assignments per week. Feel free to work with others as this is a great way to learn. However, each student must write and turn in her or his own answers. Homework is graded on a scale of 0 (fail) to 3 (great job, does not have to be perfect).

**Midterm**

- The Midterm exam (20%): About halfway through

**Exam**

- The Final exam (30%): Over the entire course material

Letter grades will be assigned at the end of the course. I will use the Economics Department's Grading Guidelines. This means grades will be assigned on a curve. Students in the top 50 percent of the distribution of scores get A/A- grades; those in the bottom 5 percent of the distribution get grades **below C+**.

**Attendance/Blackboard etc.:** I will supplement the text with my own notes, so attendance is highly recommended, although not mandatory but will affect your grade through missed quizzes. I will post slides on blackboard (school website), as well as any relevant handouts and additional readings. Please visit during office hours or email with any questions. If you cannot make scheduled office hours, email me and I will try to find a better time.

**Course outline:**

We have five weeks including the last week during which I will give the final exam. The course will have the following outline:

**Week 1:** Introduction to macroeconomics and basic concepts of economics, especially supply and demand.

**Week 2:** We will dive deeper into macroeconomics and cover part IV and the first half of part V, the data of macroeconomics and the long-run economy

**Week 3:** The second part of the long-run economy and then part VI, the monetary system and prices. *Midterm.*

**Week 4:** Putting it all together, business cycles, the short run and the role of governments and the central bank, part VIII. *FED VISIT.*

**Week 5:** Depending on how we have progressed, the open economy, chapter 18, and then a review session on Tuesday. On Wednesday, I will give the *final exam*. On the last day of summer school, I will return the exams and give an outlook of what follows our principles class if you want to continue studying economics.

**Field trip:** If enough students are interested, we will visit the Federal Reserve Bank here in Washington, DC. There will be no class on that day.