Time: Tuesday / Thursday, Section 1: 1:15 – 3:00pm, Section 2: 3:15pm – 5:00pm  
Room: McClelland 109  
Midterm exam: In class, Tuesday, February 11.  
Final exam: Take home exam, due Wednesday, March 19 at 12:00 noon.

Please read this syllabus carefully before the first class on January 7 and complete the assigned readings for that class. The syllabus contains essential information about schedules, assignments, exams, and the commitments you make to take this course.

Instructor:  
Charles I. Jones  
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Email: Chad.Jones@Stanford.edu  
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Assistant:  
Tina Bernard  
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URL for the course: http://coursework.stanford.edu  
The course syllabus, handouts, supplementary materials, and homework assignments and answers will be posted on the website.

Course Reader: There is a course reader containing required supplementary readings. These readings are also hyperlinked to web sources from within the syllabus.

Overview: This is a survey course in macroeconomics. This course gives students the background they need to understand the broad movements in the global economy. Key topics include long-run economic growth, technological change, booms and recessions, inflation, interest rates, monetary and fiscal policy, wage inequality, international trade, and exchange rates. By the end of the course, students should be able to read and understand the discussions of macroeconomic issues in The Economist, the Wall Street Journal, the Economic Report of the President, or the Congressional Budget Office. The course will be self-contained, so students who have not had any prior exposure to macroeconomics should be able to complete the course successfully.
Grading: Grades are determined as follows: 50% based on the final exam, 25% based on the midterm, and 25% for class participation and completion of assignments.

If it will help your grade, I will use your final exam score in place of your midterm score in computing your overall grade for the course. However, note that the midterm is easier than the final. That is my goal. I want to reward those who take the midterm seriously. The date and time of the midterm cannot be changed, and no makeup exam will be given.

The final exam is a take-home exam. It will be distributed at the end of the last class, on Thursday, March 13 and will also be posted on the course website the afternoon of that same day. The exam will be due in the course lock box no later than Wednesday March 19 at 12:00 noon. Alternatively, you may fax or email the final exam to me before the deadline. These dates and times cannot be changed, and no exceptions will be made.

Any re-grade requests must be made within 7 days after I return the exam to you. The request MUST be done in writing and returned to me together with the entire exam. The request should include a description of the problem and why you think the exam should be graded differently. In such cases, I will re-grade the entire exam – not just the question you identified.

A good grade for class participation involves satisfactorily completing the assignments on time, attending class, presenting summaries of readings, participating in class discussions, and generally being a good citizen. At times, I will “cold call,” asking questions on readings for a class session. The cold calls create an incentive for everyone to be well prepared for class, leading to a much more stimulating class discussion. I will use a three grade system for participation (below standards for the class, at standards for the class, and well above the standard for the class); students will be notified if and when they fall into the first category. I will not always cover all material in the assigned chapters and readings in class but will expect you to have done the reading.

No one is allowed to take the course as an auditor or on a pass/fail basis. Due to the structure of the course, a student will not have a successful learning experience if he or she is not able to put in the required time outside of the classroom doing the readings and assignments. Also, students who are not adequately prepared can slow the class down and take away from the quality of the experience for those students who are prepared.

Course Requirements: You are required to

- **Attend.** If you miss more than two classes your grade may suffer. In accordance with Stanford GSB rules, you are required to email me (ahead of time if possible) to indicate each class that is missed. You must remain in the same seat throughout the quarter. No laptops or tablet computers may be used in class without the explicit permission of the instructor.

- **Prepare.** Do the assigned readings before the start of class and come to class prepared to discuss them. The readings include chapters from the textbook and short articles in the course reader or handed out in class. You must be prepared to summarize each
reading in class if called upon.

- **Check the web site.** I will use the course web page to let know about any changes in readings, corrections in the handouts, etc. This is very important: If you do not check the web site regularly (and after 3pm on the day before class), you will miss important information.

- **Be informed.** Students are required to read the business section of a major newspaper — preferably *The Wall Street Journal*, *The Financial Times*, or *The Economist* — in order to stay abreast of developments in the world economy.

- **Turn in assignments.** Four homework assignments will be posted on the website. You are required to turn in answers to all four assignments at the beginning of the classes at which they are due. No late assignments will be accepted. Bound by the honor code, you are not permitted to look at solutions to assignments from previous years. You are strongly encouraged to work in groups, but you must turn in your own answers, *in your own words*, and indicate on the first page of your solution the names of any students you have worked with. Solutions to the assignments will be posted on the course website later that day.

- **Take the exams.** Subject to the conditions described above.

### Course Schedule and Outline

Note: Additional readings reflecting current macroeconomic developments will be added during the quarter; check the course web site regularly.

#### Introduction

**January 7:** *An Overview of Macroeconomics*

*Jones*, Chapters 1, 2, and 3.

#### The Long Run

**January 9:** *Why are some countries richer than others?* [Assignment 1 available]

*Jones*, Chapter 4.

   Jones, Chapter 5.
   “No Need to Dig” *The Economist*, November 2, 2013.

January 16: *Accounting for Growth [Assignment 1 due]*
   Jones, Chapter 6 (Section 5 only).
   *Class Discussion on the topic “Why are some countries 50 times richer than others?”*

January 21: *The Economics of Ideas [Assignment 2 available]*
   Jones, Chapter 6 (Sections 1 and 2).

January 23: *Innovation and Economic Growth*
   Jones, Chapter 6 (Sections 3 through 8).
   “Has the ideas machine broken down?” *The Economist*, January 12, 2013.

January 28: *The Dismal Science: Unemployment and Inequality*
   Jones, Chapter 7.

January 30: *The Dismal Science: Inflation in the Long Run [Assignment 2 due]*
   Jones, Chapter 8.
The Short Run

February 4: *Booms, Busts, and the IS Curve*
   *Jones*, Chapters 9, 10, and 11.

February 6: *No class — mid-quarter break*

February 11: ***Midterm Exam (in class)***

February 13: *Monetary Policy and the Phillips Curve* [Assignment 3 available]
   *Jones*, Chapter 12. Also, Chapter 14, pp. 374–378.

February 18: *Aggregate Demand and Aggregate Supply*
   *Jones*, Chapter 13 (Sections 1 through 5). Chapter 14, Section 2.

February 20: *Stabilization Policy & Expectations*
   *Jones*, Chapter 13 (Sections 6 and 7), rest of Chapter 14.

February 25: *Guest Lecture: Kevin M. Warsh* [Assignment 3 due]
   Kevin Warsh was a member of the Board of Governors of the Federal Reserve System from 2006 to 2011. He will discuss current macroeconomic events, the global financial crisis, and policy responses. Please read the following background essay and come prepared with a question or two for Mr. Warsh.

February 27: *The Global Financial Crisis in Light of the Great Depression* [Assignment 4 available]

March 4: *The Fiscal Problem of the 21st Century*
   *Jones*, Chapter 18.
“America's Deficit: Confronting the Monster” The Economist, November 18, 2010.


March 6: Globalization and Trade

Jones, Chapter 19.


March 11: Exchange Rates and the International Financial System [Assignment 4 due]

Jones, Chapter 20.


March 13: Wrap-Up

Jones, Chapter 21.