Section 3: Tuesday / Thursday: 1:30 – 2:50pm  
Section 4: Tuesday / Thursday: 3:00 – 4:20pm  
Room: C105  
Midterm exam: Wednesday May 11.  
Final exam: Take home exam, due June 6 at noon.

Please read this syllabus carefully before the first class 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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Phone: (650) 725-9265  
Email: Chad.Jones@Stanford.edu  
Office hours: by appointment (please email with suggested times)

Assistant:  
Lola Love  
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URL for the course: https://courses.gsb.stanford.edu  
The course syllabus, handouts, supplementary materials, and homework assignments and answers will be posted on the website.


Course Reader: There is a digital course reader containing required supplementary readings. All readings are available on the course website. Links to original sources are also available in the syllabus, but may have restricted access.

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, we 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 our goal. We 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 posted to the class website at 6:00pm on June 1. The exam will be due no later than Monday June 6 at 12:00 noon. You must submit your final exam online using Canvas before the deadline. These dates and times cannot be changed, and no exceptions will be made.

Any re-grade requests must be made within 5 days after we 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, we 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, we 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. We 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. We 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 instructors.

- **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.** We 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 Canvas. You are required to turn in answers to all four assignments via Canvas when they are due (see the syllabus below for precise dates and times). 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 (with at most 3 members), 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 Canvas shortly after the deadline.

- **Take the exams.** Subject to the conditions described above.
Course Schedule and Outline

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

Introduction

March 31: *An Overview of Macroeconomics*

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

The Long Run

[Assignment 1 available Sunday April 3 at 10pm]

April 5: *Why are some countries richer than others?*

*Jones*, Chapter 4.


April 7: *Why do economies grow? Inputs?*

*Jones*, Chapter 5.

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

[Assignment 1 due Sunday April 10 at 10pm]

April 12: *Accounting for Growth*

*Jones*, Chapter 6 (Section 5 only).


[Assignment 2 available Wednesday April 13 at 10pm]

April 14: *The Economics of Ideas*

*Jones*, Chapter 6 (Sections 1 and 2).


April 19: *Innovation and Economic Growth*

*Jones*, Chapter 6 (Sections 3 through 8).


April 21: *Globalization and Trade*

*Jones*, Chapter 19.


[Assignment 2 due Sunday, April 24 at 10pm]

April 26: *The Dismal Science: Unemployment and Inequality*

*Jones*, Chapter 7.


April 28: *The Dismal Science: Inflation in the Long Run*

*Jones*, Chapter 8.


**The Short Run**

May 3: *Booms, Busts, and the IS Curve*

*Jones*, Chapters 9, 10, and 11.

[Assignment 3 available Wednesday May 4 at 10pm]

May 5: *Monetary Policy and the Phillips Curve*

*Jones*, Chapter 12. Also, Chapter 14, pp. 380–384.
May 10: **Guest Lecture: Kevin M. Warsh**

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.


May 11: *** Midterm Exam ***

May 12: **Aggregate Demand and Aggregate Supply**

*Jones*, Chapter 13 (Sections 1 through 5). Chapter 14, Section 2.

May 17: **Stabilization Policy & Expectations**

*Jones*, Chapter 13 (Sections 6 and 7), rest of Chapter 14.


[Assignment 3 due Wednesday May 18 at 10pm]

[Assignment 4 available Wednesday May 18 at 10pm]

May 19: **The Global Financial Crisis in Light of the Great Depression**


May 24: **The Fiscal Problem of the 21st Century**

*Jones*, Chapter 18.


[Assignment 4 due Wednesday May 25 at 10pm]

May 26: **Exchange Rates and the International Financial System**
Jones, Chapter 20.

“The euro area’s uninspiring recovery” The Economist, September 2, 2015.

“Fight or Flight: China’s leaders face a menu of unappealing exchange rate options”
The Economist, January 16, 2016.

May 31: Wrap-Up

Jones, Chapter 21.