Section 1: Monday / Friday: 8:30 – 9:50am  
Section 2: Monday / Friday: 10:30 – 11:50am  
Room: Gunn 102  
Midterm exam: Wednesday May 3.  
Final exam: Take home exam, available June 7 at 8:00am, due June 12 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  
Office: Faculty East 335  
Phone: (650) 725-9265  
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Office hours: by appointment (please email with suggested times)

Assistant: Lola Love  
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TA: Travis Baseler (baseler@stanford.edu)  
Office Hours –  
Mondays: 12:15pm-1:15pm, Room: E105 (except on 4/10: G104)  
Wednesdays: 2:00pm-3:00pm, Room: G104

Canvas: The course syllabus, handouts, supplementary materials, and homework assignments and answers will be posted on Canvas.


Course Reader: There is a digital course reader containing required supplementary readings. All readings are available on Canvas. 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 group homework 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 is NOT a group assignment, and your work must be entirely your own. The final will be posted to Canvas at 8:00am on June 7. The exam will be due no later than Monday June 12 at 12:00 noon. We expect the final exam to take 4–6 hours to complete, depending on your preparation. 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 the instructor 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:

- **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.

- **Gadgets and gizmos.** 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, 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 group 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.* Failure to hand in an assignment will affect your class participation grade. Bound by the honor code, you are not permitted to look at solutions to assignments from previous years. Solutions to the assignments will be posted on Canvas shortly after the deadline. Assignments will be graded on a “check+ (3),” “check (2),” “check- (1),” basis. *We will drop your lowest assignment grade in computing your homework average.*

- **Assignment groups.** You are strongly encouraged to work in groups (containing at most 4 members), and *each group should submit a single PDF solution*. You will form groups in Canvas, and you are welcome to change groups across assignments.

- **Take the exams.** Subject to the conditions described above. IMPORTANT: Exams will NOT be group assignments, and your work must be entirely your own.
Course Schedule and Outline

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

Introduction

April 7: *An Overview of Macroeconomics*
  Jones, Chapters 1, 2, and 3.

The Long Run

[Assignment 1 available Friday April 7 at 8pm]

April 10: *Why are some countries richer than others?*
  Jones, Chapter 4.

April 14: *Why do economies grow? Inputs?*
  Jones, Chapter 5.
  “No Need to Dig” *The Economist*, November 2, 2013.

[Assignment 1 due Sunday April 16 at 11:59pm]

April 17: *Accounting for Growth*
  Jones, Chapter 6 (Section 5 only).

[Assignment 2 available Wednesday April 19 at 8pm]

April 21: *The Economics of Ideas*
  Jones, Chapter 6 (Sections 1 and 2).
April 24: *Innovation and Economic Growth*

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


April 28: *Globalization and Trade*

*Jones*, Chapter 19.

Leonard E. Read, “*I, Pencil: My Family Tree as told to Leonard E. Read*” December 1958(!).


[Assignment 2 due Sunday, April 30 at 11:59pm]

May 1: *The Dismal Science: Unemployment and Inequality*

*Jones*, Chapter 7.


May 3: ***Midterm Exam***

May 5: *The Dismal Science: Inflation in the Long Run*

*Jones*, Chapter 8.


**The Short Run**

May 8: *Booms, Busts, and the IS Curve*

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

[Assignment 3 available Wednesday May 10 at 8pm]
May 12: *Monetary Policy and the Phillips Curve*


May 15: *Aggregate Demand and Aggregate Supply*

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

May 19: *Stabilization Policy & Expectations*

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


May 22: *Guest Lecture: John Taylor*

John Taylor is the Mary and Robert Raymond Professor of Economics at Stanford University and the George P. Shultz Senior Fellow in Economics at the Hoover Institution. He will discuss current macroeconomic events, the global financial crisis, and policy responses. Please read his recent testimony on monetary policy to the U.S. Congress (below) and come prepared with a question or two for Professor Taylor.

“Unconventional Monetary Policy, Normalization, and Reform” December 7, 2016.

His blog: [https://economicsone.com/](https://economicsone.com/)

[Assignment 3 due Wednesday May 24 at 11:59pm]

[Assignment 4 available Wednesday May 24 at 8pm]

May 26: *The Global Financial Crisis in Light of the Great Depression*


May 31: *The Fiscal Problem of the 21st Century*

*Jones*, Chapter 18.


“Olivier Blanchard eyes ugly ‘end game’ for Japan on debt spiral” *The Telegraph*, April 11, 2016.

[Assignment 4 due Wednesday May 31 at 11:59pm]

June 2: *Exchange Rates and the International Financial System*

*Jones*, Chapter 20.


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

June 5: *Wrap-Up*

*Jones*, Chapter 21.