Course Description
This course examines the macroeconomic environment in which firms operate. The ultimate objective is for you to understand how external forces and policies affect the overall health of a nation’s economy and hence the business decisions that you make. Recent history has demonstrated the deep effects of global macroeconomic fluctuations on business and the challenges of macroeconomic policy-making in an interdependent world. Thus, this course covers both the domestic and global aspects of macroeconomics. It will give you the tools to understand the key elements of economic growth, inflation, unemployment, business cycles, fiscal policy, monetary policy, trade policy, and current economic developments.

Course Requirements

<table>
<thead>
<tr>
<th>Course Requirements</th>
<th>Approx. % of final grade</th>
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<tbody>
<tr>
<td>Problem sets</td>
<td>45%</td>
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<tr>
<td>Final exam (take-home, posted June 5, due June 11)</td>
<td>45%</td>
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<tr>
<td>Attendance</td>
<td>5%</td>
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<tr>
<td>Participation</td>
<td>5%</td>
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Help Sessions and Problem Sets
Dmitry will hold help sessions on Sundays, 12-1:30 in PAC 292 on these dates: 04/14, 04/21, 04/28, 05/05, 05/12, 06/02. They are optional, but strongly encouraged. Dmitry will review concepts from class, work on problem solving, and answer your questions.

There will be six problem sets, each posted on a Wednesday and due the following Tuesday. The posting dates are 4/10, 4/17, 4/24, 5/1, 5/8, and 5/29. Each problem set will consist of multiple choice and short essay questions. Answers should be submitted directly on Canvas. Note that the multiple choice and short essay answers must be posted separately. The lowest problem set grade will be dropped when course grades are calculated.

Submission policies
The exam is take-home and will consist of a combination of multiple choice and essay questions. The final exam due date is listed above. Plan your schedule accordingly - no early exams will be provided under any circumstances.

Late submissions of exams or problem sets are subject to a 50% grade penalty for the first 48 hours after the due date, unless you request (and are granted) an extension before the due date. No credit will be given after 48 hours.

Textbooks and Required Readings
Textbook - available at the University Bookstore:


A copy of the textbook is on reserve in the Foster Library.

The other required readings are either posted on Canvas or are readily available online. Additional readings may be provided in class.
Communications
The powerpoint slides for all lectures will be posted on Canvas before each class.
You can contact me by e-mail at dg2854@uw.edu. I check my e-mail regularly on weekdays.
I will use the Canvas website to post announcements, lecture notes, and other course materials.

MBA Program and Class Expectations

Class Attendance
Class attendance is critical to participation in the learning experience. In accord with Foster MBA Program policy, attendance is *required* except in cases of (1) illness or (2) unavoidable conflict with a job or internship interview that cannot be rescheduled. Regardless of the reason for missing a class meeting, you should notify your instructor in advance. You are responsible for the learning experience that takes place in your absence. Work with your classmates to address any material you may have missed, and contact the instructor and/or TA should you have remaining questions.

Note: To get full points for attendance, you must attend at least 80% of class sessions. To get full points for participation, you must contribute in at least 30% of class sessions.
This class has both Monday and Wednesday sections. Space permitting, you are welcome to attend either section, but I will only give participation credit in the section in which you are registered.

Student Professionalism in Class
Each student is expected to be on time and to be prepared for each class meeting, as well as fully engaged in class content throughout the class meeting. I ask that you stay offline during class sessions and only use your electronic devices for class-related activities. Research shows that being online (web-surfing, checking email or social media, texting, etc.) inhibits your ability to learn and distracts those around you (including me). Thank you for supporting this policy.

The Honor Code
I employ the principles and procedures espoused by Foster School of Business MBA Honor System to maintain academic integrity in the course. The Honor Code of the Foster School expressly prohibits cheating, attempted cheating, plagiarism, and lying to administration or faculty as it pertains to academic work. Suspected violations of the Honor Code will be handled by referral of the matter to the Foster MBA Honor Council.

The Honor Code will apply to course deliverables in the following manner:

- In order to maximize the student learning experience, the work you submit should be your own. Except as described below, do not get help from anyone in preparing deliverables for the course. This includes students currently or formerly enrolled in the course as well as others outside Foster. Sharing of course resources with others beyond the narrow range permitted with classmates is also considered a violation of the Honor Code.
- Plagiarism is the use of someone else’s words without full attribution (full attribution means use of quotation marks and indication of the source in proper bibliographic form). Close paraphrasing is also considered plagiarism. See [http://depts.washington.edu/pswrite/plag.html](http://depts.washington.edu/pswrite/plag.html). The “someone else” is anyone from published authors to fellow students to the class instructor. My policy is to give a grade of 0 to any duplicate or plagiarized work.
- Problem Sets: you may consult with other students about the interpretation of questions while preparing homework assignments, but I expect you to select/write the answers yourself.
- Exams are individual endeavors. You are welcome to read any printed or online resources, but do not consult with any other person (including other students) as you prepare your exam answers. I expect your written answers to be entirely in your own words. Any quotations, even from class materials, should have quotation marks and source citations.

If you have any uncertainty about how the Honor Code applies to a specific deliverable in the course, please ask before taking action; when it is not possible to ask before acting, please err on the side of the most cautious interpretation.
LIST OF TOPICS AND READINGS

The topics and readings given below are subject to change (with prior notice). Each reading should be completed before the date given. All readings are required unless otherwise indicated.

- All Chapter references are from the Miles, Scott, and Breedon textbook. For some topics, I have assigned only a subset of chapter sections. Note: “Chapter 11, section 11.8” means only read section 11.8 in Chapter 11.
- Other required readings are available online (posted on Canvas or at the URL given).
- Additional readings may be assigned.

<table>
<thead>
<tr>
<th>Mon/Wed dates</th>
<th>Topic, readings</th>
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<tbody>
<tr>
<td>Apr 1/3</td>
<td>Introduction to macroeconomics; aggregate supply and aggregate demand</td>
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<td></td>
<td>Chapter 1</td>
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<td>Chapter 11, section 11.8 and pp.269-270</td>
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<td>Apr 8/10</td>
<td>Phillips Curve and other applications of AS-AD; components of GDP</td>
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<td>Chapter 15, sections 15.3-15.5</td>
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<td></td>
<td>Chapter 10, sections 10.1-10.2, p. 216, pp. 222-224, sections 10.6-10.10</td>
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<td>Optional: Chapter 19, sections 19.1-19.6</td>
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<td>Apr 15/17</td>
<td>Measuring GDP; business cycles</td>
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<td>Chapter 2</td>
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<td>Optional: “Top 10 Countries with Most GDP from 1960 to 2017” <a href="https://www.youtube.com/watch?v=wykaDgXoajc">https://www.youtube.com/watch?v=wykaDgXoajc</a></td>
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Apr 22/24  Productivity; measuring unemployment

*Application mini-case:  “Microsoft and Nokia: Manufacturing Leaves China”*

Chapter 3, sections 3.3-3.4


Chapter 7, sections 7.1-7.5 only (you may skim through the mathematical models in 7.2 and 7.4-7.5)


“What full employment really means,” economist.com blog, January 29, 2017


Optional: Mitchell Hartman, “2017 jobs picture was rosy, but are we at full employment?” Marketplace podcast (audio), December 29, 2017

[https://www.marketplace.org/2017/12/29/economy/2017-jobs-picture-was-rosy-are-we-full-employment](https://www.marketplace.org/2017/12/29/economy/2017-jobs-picture-was-rosy-are-we-full-employment)

Optional: Chapter 5

Optional: Planet Money podcast 392, Aug. 6, 2012, “Keeping the Biggest Secret in the U.S. Economy”


Apr 29/May 1  Measuring inflation

*Application mini-case:  “Holland America Line and the Great Recession”*

Chapter 12, sections 12.1-12.3 and 12.8-12.9

Chapter 13, section 13.3

Planet Money podcast 222, “The Price of Lettuce in Brooklyn”:


“A Visual Guide to Deflation,” from Mint.com and WallStats.com, April 8, 2009 (you do not have to read all the comments) [http://visual.ly/visual-guide-deflation](http://visual.ly/visual-guide-deflation)


May 6/8  Introduction to stabilization policy; spending multiplier; banking system

Chapter 15, section 15.1 (skip discussion of figures 15.3 and 15.4)

Re-visit multiplier part of section 10.2 in Chapter 10

Chapter 17
May 13/15  Monetary policy 1: central banks; term structure of interest rates

Chapter 12, sections 12.4-12.6

Chapter 13, section 13.1

Chapter 16, sections 16.10-16.13

Optional: "Happy Fed Independence Day," Planet Money episode 898, March 1, 2019

https://www.minneapolisfed.org/community/student-resources/central-bank-history/history-of-central-banking

No class scheduled for May 22 or May 27 – view remote sessions on trade policy

Readings for remote sessions:

Chapter 8 (sections 8.3 and 8.7 are optional)


Optional: Read or listen to the following two stories by Adam Davidson that aired on NPR on November 27 and 28, 2007 (each is about 8 minutes long; the text is also on the website):


May 20/May 29 Monetary policy 2: monetary policy tools


Chapter 13, sections 13.8, 13.10, and 13.12

Fiscal policy

Chapter 14, sections 14.1 and 14.3-14.4

Chapter 15, section 15.2


Chapter 18, sections 18.1-18.3, 18.6


Optional: (really good, but requires 57 minutes of listening): “Continental Breakup,” This American Life, January 20, 2012  
www.thisamericanlife.org/radio-archives/episode/455/continental-breakup