

New School University
ULEC2020 Introduction to Macroeconomics

Instructor: Duncan K. Foley

email: foleyd@newschool.edu

web page: <http://homepage.newschool.edu/~foleyd>

Office Hours: Tuesday 2-4, Thursday 3-4:30, or by appointment

Lectures: Thursdays, 6-7:20

Teaching Fellows: Ryoko Kakutani email: kakur326@newschool.edu

Office Hour: Tuesday 12-1:30 F351

Amr Ragab email: ragaa932@newschool.edu

Office Hour: Thursday 12-1:30 F351

Catherine Ruetschlin email: ruetc870@newschool.edu

Office Hour: Tuesday 1:30-3 F351

This is an introductory course in macroeconomics which requires no prior work in economics. We will survey basic economic concepts and show how they apply to contemporary economic problems. The topics will include: how the capitalist economy evolves through the division of labor, capital accumulation and technical change; how economists measure production through the Gross Domestic Product; how markets work and when they fail; how much environmental damage production involves; how money is created and circulates through banks; what determines interest rates; what the stock market is and what it does; how wages are determined and what the effects of migration are; how the impact of foreign trade and investment is measured; how government deficits affect the economy; how social security works and the problems it faces; and how tax, spending and lending policies influence business cycles, unemployment, and inflation. The course will be based on textbook readings, notes prepared by the instructor, readings, and newspaper and magazine articles on current issues.

Learning objectives:

1. To provide students with an accurate understanding of basic facts about the U.S. and world economies and their economic institutions in historical context.
2. To introduce students to the basic tools of economic reasoning with abstract and simplified models of reality including production-possibility frontiers and supply and demand models. Problem sets and examinations will prepare students to use basic economic modeling techniques in later economics courses.
3. To provide students with the information required to form reasonable judgments about current economic problems including government tax and spending policy, the balance of payments, health care financing, pension policy, immigration, and environmental and resource management.

Check Blackboard for Assignments, Notes, and Announcements

Required work:

Lecture and discussion section attendance (20% of grade)
Problem sets due September 19, October 3, October 31, November 14, December 5 (40% of grade). YOU MUST CONTACT YOUR TA BEFORE THE DUE DATE IF YOU CANNOT SUBMIT THE WORK ON TIME.

Three examinations in section: October 10, November 21, and December 12 (40% of grade)

Text:

David Colander, *Economics*, Sixth Edition, McGraw-Hill

Topic Outline

(Colander chapters in Sixth Edition)

Week 1 (September 7) How capitalism works: Division of labor, technical change, accumulation, and competition

Colander, ch 1, 3

Week 2 (September 14) Accounting for output, income and wealth: Gross Domestic Product, National Income, and Wealth

Colander, ch 23

Problem Set 1 due September 19 (Capitalism, division of labor, competition)

Week 3 (September 21) Distribution: Wages, profits, and profit rates

Colander, ch 17

Week 4 (September 28) Investment and growth

Colander, ch 24

Problem set 2 due October 3 (GDP, wages, profits)

Week 5 (October 5) Supply and demand: Food, information, and education

Colander, ch 4, 5, 6, 19

Examination in section October 10 (Capitalism, GDP, distribution, investment and growth)

Week 6 (October 12) Opportunity cost and comparative advantage: Environmental quality, career choices, health

Colander, ch 2, 18

Week 7 (October 19) Finance and banking: Balance sheets, lending, financial markets, interest rates, present discounted value

Colander, ch 27

Week 8: (October 26) Trade and international investment: Balance of payments

Colander ch 33

Problem set 3 due October 31 (Supply and demand; opportunity cost)

Week 9 (November 2) Wages, employment, immigration

Colander ch 16

Week 10 (November 9) Unemployment, inflation, and growth

Colander, ch 22, 29

Problem set 4 due November 14 (Finance and banking, interest rates, present discounted value, balance of payments)

Week 11 (November 16) Deficits, surpluses, social security

Colander, ch 31

Examination in section November 21 (Supply and demand, opportunity cost, financial markets, balance of payments)

No lecture November 23 (Thanksgiving)

Week 12 (November 30) Fiscal and monetary policy

Colander, ch 28, 30

Problem set 5 due December 5 (Wages, migration, unemployment, inflation, deficits)

Week 13 (December 7) Gender and race in the U.S. economy

Examination in section December 12 (Wages, migration, unemployment, spending and taxation, fiscal and monetary policy, gender and race)

Week 14 (December 14) The world economy