EW MBA 201B – Macroeconomics in the Global Economy
Sections 31A and 32A

Professor James A. Wilcox

Classes Meet:
Section 31A (Axe) Cheit 210 Sat. 9:00am-1:00pm
Section 32A (Oski) Cheit 220 Sat. 2:00pm-6:00pm

Except: Final Exam will be held at Canada College on March 12, 2016


Class Website: bCourses: https://bcourses.berkeley.edu
MyEconLab: http://www.myeconlab.com

Faculty Office:

Office Hours: Mondays & Wednesdays, 9.00-10.00pm,
(via phone, Skype, AdobeConnect, BlueJeans, MEL, …),
and by arrangement (e.g., after Saturday classes, other times)

Office Phone
E-mail:

Faculty Assistant:

GSI:

GSI Office Hours: By arrangement
Course Description

Business school students have, to varying degrees, direct and derived demand for understanding macroeconomics. (And, at least at the beginning of the semester, there is usually a sizable market share of forced demand, which stems from Macro being a core course!) Almost none of us expects to become a macro forecaster or run a central bank.

Many students, however, start out or soon become interested in understanding how and why economies perform well or badly. They find themselves really enjoying reading, hearing, and talking about economic ups and downs, whys and why nots, consumers and businesses, near and far. Some are interested because they know the huge impacts that economies have on their businesses--even if not always obviously, such as through the effects of the economy on their customers’ businesses. Some are also interested because of the pervasive effects of economies, in North America and beyond, on their personal incomes and net worth.

So, what does make rates go up and down? And, by a little or a lot? And when? And, which rates? Interest, inflation, unemployment, foreign exchange, quarter-to-quarter GDP growth, long-run economic growth, short-term or long-term, short-run or long-run.

We will explore why these and other macroeconomic measures move, or don’t, or will soon--or later. We will see how some movements get amplified by the macroeconomy and others are dampened. We will explore how consumer and business practices affect and are, in turn, affected by current conditions, as well as by forecasts for the future, of the U.S. and of other economies. We will analyze how monetary, fiscal, and international-trade policies affect, and are affected by, macroeconomies.

We will see examples of past events, current predicaments, and forecasts that we can explain. The recent financial crisis and ensuing Great Recession is the largest macro event of our lifetimes (so far). We will discuss how fear and fog reverberated through the world’s economies. We will see why the crisis pushed the U.S. sooner, Japan later, and Europe eventually far into previously-unimaginable policies.

Fortunately, the tools and approach of demand and supply help us understand which real, and financial, goods and services are produced, bought and sold in a macroeconomy, at what prices and in what volumes. We build upon what you know (and, indeed, what you do, both as producers and as consumers!). We assess how well our approximations fit data and our own experiences.

bCourses

We will use bCourses to post class slides. We will also use bCourses to convey relevant information, such as any adjustments and supplements to reading assignments that are now listed on the last page of this syllabus. In addition, we will use bCourses to provide students with additional homework questions and answers, study guides for exams, clarifications or additions to class discussions and materials, additional reading assignments, and so on.

So that students will know whether we have their correct email addresses, we plan to send a test email to students via bCourses and perhaps via MEL as well, no later than Friday,
January 22, 2016—the day before our first class meeting. Please let us know on Saturday, January 23, 2013 if you have not gotten a test email via bCourses from us.

**Textbooks: Old and New, Domestic and International**

The current version of the Gordon textbook is the 12th edition. The speed and enormity of economic and financial events in recent years can make it almost impossible for any textbook to be completely up to date. Ours is no exception.

The prior edition, the 11th edition, might still be available and, if so, it should be really, really cheap, but not worth even their low prices in light of the value of your time. The old edition isn’t radically different in concept, but a lot has happened in the world since the 11th edition was locked down (probably before the financial crisis and Great Recession). As a result, its examples, data, and emphasis are not as up to date as those in the 12th ed. Much but not all of the macro machinery and some macro policies are the same in the 11th as they are in the 12th edition. We recommend the most-recent (12th) edition.

“International editions” of the Gordon textbook can be of two types: those produced by the book’s publisher (Pearson) and “others.” International editions do tend to cost less. We don’t know how much different they are from the “domestic” edition. We understand that the international editions have material at the end of chapters that differs and, more importantly, that their MEL codes won’t work in the U.S. Other than that, the international edition might be very similar to the domestic edition.

**Options, Costs, and Instructions for Textbooks, MyEconLab (MEL), and e-textbooks**

In addition to bCourses, we will use MyEconLab (MEL), which is geared to the Gordon 12th ed. textbook. MEL is very much like its sibling, MyFinanceLab, which accompanies the EW MBA core Finance text and course that students will take soon after this course finishes.

We recommend buying access to web-based MEL because we think that it offers enough additional convenience, time savings, and learning relative to paper to justify its cost: Being web-based, MEL allows students to access, practice, and submit homework; get feedback on incorrect answers; and get (maybe instantly-) graded homework and scores. MEL typically tracks which topics a student scored well on; it also identifies trouble spots and suggests which textbook pages can help. MEL embeds recent articles and videos that can be part of homework and class discussions. We are not sure how well the chat and other features will work, say, for office hours.

Pearson offers a new, loose-leaf paper version of the textbook, plus MEL access, plus the e-book for $160. (This first option may be the most popular.) For $100 more, a student gets a new, standard, hard-cover, bound instead of loose-leaf, textbook. For $115, on Pearson’s website, a student can buy MEL access plus the loose-leaf textbook, without the e-book. For $60, on Pearson’s website, one can buy only MEL--without the e-textbook. International editions of the book may cost about $50--but their MEL codes won’t work inside the U.S. Amazon may “rent” the textbook for about $50, but that seems unlikely to come with MEL access. Used copies of the hard-cover, bound 12th edition ought to be readily available. We understand that used copies sell for $70-100, but they are unlikely to still have valid MEL access.
The URL for MyEconLab (MEL) is: [http://www.myeconlab.com](http://www.myeconlab.com). Instructions for MEL are posted on bCourses>Files>Homework>Student Registration Handout … Either we or the EW MBA office will email to you the same file. To register on MEL, a student needs a course id for the morning or afternoon section: Sec 31A/AM/Axe: [wilcox52716](mailto:wilcox52716) or Sec. 32A/PM/Oski: [wilcox96273](mailto:wilcox96273).

Buying and using MyEconLab (MEL) is optional. (Indeed, buying textbooks is always optional, but usually the best option by far.) In lieu of using MEL, any student can arrange with us to get each set of homework questions emailed as they become available through the semester electronically via MEL and then arrange to submit their completed homework answer sets to us on paper.

Students who will not be using MEL need to let us know soon, say by January 27, so that we can make arrangements for non-MEL versions of homework questions and answers. In addition, we will need to make arrangements with students who choose not to purchase access to MEL so that they can get access to articles or videos that we will sometimes get via MEL and sometimes post on MEL when obtained elsewhere. Students need to advise the GSI, Leslie Chen, no later than Wednesday, Jan. 27, if they will not use MEL for this course.

**Class Slides**

On bCourses, a pdf file with the slides for each class will be posted for the next class, typically no later than the night before each class. We notify students when the pdf file with slides is available. We typically also attach a pdf to the email notification to each student once the slides are available. Graphs, equations, Q&A text, additional examples and explanations, or other items that are added to the slides during our class meetings are not posted afterward.

To each class, we will bring a paper copy of the class slides for each student.

The class slides are intentionally constructed not to be a complete substitute for taking notes. The slides are intended and constructed to provide students with a quite-detailed class outline, one that is accurate and shows connections clearly to the textbook. Most students do find that adding their own notes or graphs to the class slides is very valuable. Doing so helps them assimilate class discussions and accumulate more complete and useful sets of explanations, graphs, and so on.

We confidently predict that, for various reasons, we will not cover all of the slides that are posted and handed out at each class. When we will use those unused slides in a later class, they will be provided as part of the slide packet at the later class. One reason that we include slides that we are unlikely to cover at a given class is that the slides not covered one week typically show up the following week and thus are a good way for students to get a preview about what will come in the next class.

**Breaks**

We will take the standard, 20-minute breaks less than two hours from the start and the end of classes, starting at 10.50am or 3.50pm. These are great opportunities to text, surf, websurf, voice chat, snapchat, and wechat.
Email

We include as much of the admin-related information as we have in this Syllabus. We also hold office hours--in person or at a distance, on schedule or by arrangement. Your job demands and schedules and ours won’t always mesh. But, connecting can always be worked out.

We will try to answer email questions usefully and quickly. For some questions and at some times, email works well. Sometimes email won’t be very useful. Students and instructors quickly see that typing out good questions and answers just takes too much time. Lots of interesting and important questions don’t have clear-cut or concise answers—or even questions. (Our class experience is likely to confirm this! “On the one hand, …, but on the other hand, …But, what if … And, suppose that …”) In those cases, telephones or videolinks are likely to be much more effective.

Class Representatives

For each section (31A/AM/morning/Axe and 32A/PM/afternoon/Oski), we would like to have two class representatives. If you would like to serve as a class rep, please contact us.

Grading: Homework, Exams, In-Class Participation, and Calculating Grades

Homework

Each week, we plan to assign homework. We recommend doing the first homework, which is likely to be available on or soon after Sunday, Jan. 24. Homework #1 is purely a warm-up, is for practice, is designed to help you and us work out any kinks with MEL, and is not part of any score or grade. No homework is due on the day of the midterm or of the final exam, February 13 or March 12. That means that the four graded homework sets will be available to students by Sundays: Jan. 31, Feb. 14, Feb. 21, and Feb. 28. Generally, they will be available no later than Sunday mornings. Each homework assignment will be due no later than 9.00am on the following Saturday (i.e., before any classes begin on those days), giving students at least six days to do them.

We will notify students via bCourses email as soon as questions (and answers, after the homework due dates) are available. Homework answers will be provided to students either very shortly after 6pm on Saturdays or, more often, reported to students instantaneously when they answer on MEL.

Scores on homework account for 30 percent of the course grade. We base grades on each homework assignment’s standardized scores. Scores are standardized by each week’s homework assignment across all of the students in the two Saturday sections of Macro, 31A/AM/Axe and 32A/PM/Oski.

At the end of the course, before calculating grades, we will drop the lowest of each student’s four (standardized) scores. Yes, intentionally, this process adds strategic incentives to allocate homework effort over seven weeks. We will notify you in advance if any homework answers are intended not to be submitted via MEL, but instead submitted on paper before class begins.
You may work together on homework, but each student must submit only his or her own work. Thus, it is not permissible to use the information that MEL told anyone about whether a particular answer was correct or incorrect. Yes, in this regard, instantaneous grading via MEL does complicate matters for all of us. Nor is it permissible to submit answers that were copied or edited portions of a classmate’s homework or exam answers.

Exams

There will be one midterm exam and one final exam. The midterm will be weighted 30 percent and the final 40 percent in determining your course grade.

We will have the midterm exam in class on Saturday, February 13, 2016. The midterm will use the first 1½ hours of our class that day: 9.00 – 10.15am or 2.00-3.15pm. After a post-exam break, we will have a regular class session until 1.00pm or 6pm. Circumstances permitting, we plan to be available that day for questions, clarifications, and review for the hour before the exam, 8.00-9.00am or 1.00-2.00pm—in addition to our usual office hours.

The two-hour final exam will take place on Saturday, March 12, for the first two hours of each regular class meeting time: 9-11am and 2-4pm. Circumstances permitting, we plan to be available 8-9am and 1-2pm on the day of the final exams, in addition to our usual office hours. While our classes all meet in Haas, the final exam is scheduled for Canada College.

Homework and exam scores for each student and distributions of scores for the class will provided as they become available. Because we won’t know all of the students’ raw scores until the deadline passes for each homework, we can’t calculate standardized scores each week until we know all of the homework scores for that week.

In-Class Participation

Participation is expected, valuable, and almost always enjoyable. It doesn’t affect very many course grades. Rather than being a fixed percentage of a student’s overall score for the course, we confer bonuses for clearly-positive contributions to our class over the semester. Contributions can be made by good answers, good observations, good questions, and so on.

Calculating Grades

In accordance with Haas policy, course grades will average no more than 3.45 (on the Berkeley 4-point scale). Course grades are likely to be approximately 15% A, 20% A-, 30% B+, 20% B, and 15% B- or lower. Ranges for scores on midterm and final exams and on homework assignments will be chosen so that each assignment’s letter grades, which are not directly averaged to get course grades, are distributed like course grades.

Regrades

Requests for re-grades of homework or exam answers must start with the GSI. Requests for re-grading must be submitted in writing to the GSI within one week of the graded homework or exam material having been made available to the student. Only entire homework sets or exams will be re-graded; neither single questions nor parts of questions will be re-graded in isolation. Scores and grades may (and sometimes do) rise, fall, or stay the same upon re-grading.
Class Meetings and Textbook Reading Assignments

We will have seven Saturday classes. The first class day is Saturday, January 23, 2016. The last class day is Saturday, March 5, 2016.

The final exam takes place on Saturday, March 12, 2016 at Canada College.

Students should be familiar with the relevant textbook material when we address it in class. Textbook chapter assignments will be adjusted as the semester proceeds.

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