

ECON 202 —Macroeconomics

Hakkı Özdenören

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Office: Zoom

Teaching Assistants: Gürkan Gündoğan , Sertan Özsoy

Class Time

- **Section C:** 12:40 to 14:30 on Tuesdays and 13:40 to 14:40 on Thursdays.
- **Section D:** 11:40 to 12:30 on Tuesdays and 10:40 to 12:30 on Thursdays.

Office Hours

- **Sertan** 17:40 to 18:30 on Mondays.
- **Hakkı** 18:40 to 19:30 on Wednesdays.
- **Gürkan** 12:40 to 13:30 on Fridays.

Logistics for Spring 2021

The course will be delivered using Zoom following current SU guidelines. The course will be delivered in a mixture of asynchronous and synchronous lectures. Asynchronous lectures will be through videos on SuCourse+. I will be live on Zoom during the synchronous lectures. Live sessions will also be recorded and will be available on the course website. If you encounter any issue just let me know.

Course Description

Macroeconomics is the study of the performance, structure, and behavior of the entire economy. We will use this approach to study issues such as economic indicators and forecasting (where are we headed?); economic growth (why are some countries more productive than others?); business cycles (why do we have booms and recessions?); fiscal and monetary policy (how does policy affect macroeconomic performance?). Macroeconomics is an exciting discipline with first order importance on day to day life. I hope you will share my enthusiasm for it.

Learning objectives

By the end of this course, you will be able to...

1. ...understand and be able to use the various measures of an aggregate economy's performance and well being;
2. ...understand the factors that cause economic growth and be able to describe the patterns of economy development over time and across countries;
3. ...understand how countries interact with the global economy;
4. ... understand the trade-offs present in designing fiscal policy and the impact it can have on the economy;
5. understand the different types of money and the policy instruments available to the Central Banks around the world.

Course materials

Textbook: The required textbook for this course is

Macroeconomics
Andrew B. Abel, Ben S. Bernanke and Dean Croushore
Pearson

SUCourse: I will make slides available on the class website on SuCourse+. I will let you know of required readings (if any) as we go along. Any additional materials will be uploaded to SuCourse+ as well. Check it regularly.

Feedback, Email and Office Hours

Together with the usual evaluation forms, I set up an online, live, instant and **anonymous** feedback system. You can access it here:

<https://tinyurl.com/47kkbbb>

I will try to respond to emails within 24 hours. Given high volumes, expect delays just before homework are due. Zoom Office Hours will be determined later depending on the schedule of the students.

Exams and Grading

The final grade will be computed according to the following components:

- Four assignments (30% of total grade)
- One midterm (30% of total grade)
- One comprehensive final exam (40% of total grade)

Students who fail to show up for the exams indicated in the Syllabus without a valid excuse and not taking the make-up examinations for such exams will receive N/A as their final grade.

Your webcam must always be on during exams-if not, your exams will be void. You must connect to the Zoom link for the course with your official SabancıUniversity e-mail account, and not utilize other email accounts.

Students Needing Learning Accommodations

If you have special needs and have an accommodations letter from the Student with the Special Needs Support Unit, I encourage you to discuss your accommodations and needs with me as early as possible. I will work with you to ensure that accommodations are provided as appropriate. If you suspect that you may have a disability and would benefit from accommodations but are not yet registered with the Special Needs Support Unit, I encourage you to contact them at: specialneeds@sabanciuniv.edu.

Finally,

Take care of yourself: We are undergoing unprecedented times as the entire globe is weathering COVID-19. Do your best to maintain a healthy lifestyle. This will help you achieve your goals and cope with stress. All of us benefit from support during times of struggle. You are not alone. There are many helpful resources available on campus and an important part of the college experience is learning how to ask for help. Asking for support sooner rather than later is often helpful.

If you or anyone you know experiences any academic stress, difficult life events, or feelings like anxiety or depression, we strongly encourage you to seek support. Center for Individual and Academic Development (CIAD/BAGEM) is here to help: call 0216-483-94-81 and visit their website at:

<https://ciad.sabanciuniv.edu/>

Consider reaching out to a friend, faculty or family member you trust for help getting connected to the support that can help.

Topics Outline

In this section, I provide some additional details on the topics covered in each module.

1. Measurement

- Methodology. Measuring domestic product and income. Nominal and real GDP. Comparisons of GDP across countries. The limits of GDP.
- **Readings:** Chapters 1 and 2.

2. Productivity

- The production function. Measures of productivity. Accounting for growth: the role of capital and labor in economic growth.
- **Readings:** Chapter 3.1 and 6.1

3. Growth

- Growth facts: historical and contemporary. Measures of productivity. Sources of growth, and the Solow growth model.
- **Readings:** Remainder of Chapter 6.

4. Labor Markets

- Labor markets. Employment, unemployment and other important labor market statistics. The frictionless labor model. Institutions and policies that promote/hinder employment.
- **Readings:** Remainder of Chapter 3

5. Credit Markets

- Financial assets. Saving and investment decisions. Consumption Smoothing. The financial system.
- **Readings:** Chapters 7-14

6. Money, Prices, and Monetary Policy

- Money: definitions and measurement. Cryptocurrencies. The Central Bank: tools and objectives. Determining short-run interest rates and inflation targeting.
- **Readings:** Chapters 7-14.

7. Business Cycles

- Properties of business cycles, booms, and recessions. Business cycle indicators, leading and lagging variables. Smoothing, filtering and basic business cycle forecasting.
- **Readings:** Chapters 8 and 10.

8. The IS-LM/AD-AS Model / Time Permitting

- Full Employment. The interaction of Goods and Asset Market. Implications of the AD-AS Model for macroeconomics.
- **Readings:** Chapter 9.