

# ECON 202 —Macroeconomics

**Hakkı Özdenören**

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**Zoom Link:** <https://sabanciuniv.zoom.us/macroeconomics>

**Office Hours:** TBD

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## Section Information

### Section C:

- **TA:** Taha Ömer Gülberk
- 12:40 to 14:30 on Tuesdays (FASS 1008-1010)
- 10:40 to 11:30 on Thursdays (FASS G018)

### Section D:

- **TA:** Nur Betül Akbulut
- 11:40 to 12:30 on Tuesdays (FASS 1008-1010)
- 12:40 to 14:30 on Thursdays (FASS 1008-1010)

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## Logistics for Spring 2022

The course will be delivered in a hybrid fashion. Courses will be delivered physically in the classroom with live broadcasting. Classes will be recorded and available on the course website for at least two weeks. In all matters, we will follow the updated university guidelines. Please read the syllabus carefully, and reach out to teaching assistants only if your questions are not answered here.

## 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 in 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

**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.

## 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.

## 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](mailto: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.

### 2. Productivity

- The production function. Measures of productivity. Accounting for growth: the role of capital and labor in economic growth.

### 3. Growth

- Growth facts: historical and contemporary. Measures of productivity. Sources of growth, and the Solow growth model.

### 4. Labor Markets

- Labor markets. Employment, unemployment and other important labor market statistics. The frictionless labor model. Institutions and policies that promote/hinder employment.

### 5. Financial Markets

- Financial assets. Saving and investment decisions. Consumption Smoothing. The financial system.

### 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.

### 7. Trade

- Comparative Advantage: Why do countries trade? Consequences of trade: Who are the winners and losers from trade?

### 8. Business Cycles: Time Permitting

- Properties of business cycles, booms, and recessions. Business cycle indicators, leading and lagging variables. Smoothing, filtering and basic business cycle forecasting.