

# Introduction to Economics I: Macroeconomics

ECO1

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**Economics is the science** of decision-making behavior. In this science, economists attempt to construct mathematical systems of value that approximate how a decision will be made. These value systems, called models, if accurate, can allow us to predict what decision will be made given different sets of incentives.

Human decisions are made at very many levels in our economy. Given the difficulty of attempting to represent the entirety of humanity person by person, economists limit the scope of their observation and make simplifying generalizations. An economist may limit her scope to the firm and generalize the behavior of individual workers and managers to study the relationship between workers and management. An economist may expand his scope to the entire world and generalize behavior of everyone within nations to study the relationships between nations that engage in trade.

In this class, we will limit our scope to the nation and generalize the behavior of people within firms, the government, and the consumer base. These and other generalized sectors of the economy are known as aggregates. Macroeconomics is the study of these economic aggregates. Through observation and mathematical approximation, macroeconomics seeks to explain how these aggregates function within a nation.

**Textbook:** So here's the thing about the textbook. The textbook that the department uses is Krugman and Wells *Economics*. I'm sure it's a reasonably good textbook as far as introductory textbooks go; however, I cannot in good conscience require the textbook because it is \$263. This textbook is also the textbook used for the second part of this course (microeconomics) for which the professor (probably not me) will require it. In general, introductory economics textbooks contain largely the same stuff, though it may be presented in a different order and with the political slant of the author. There is literally nothing in these textbooks that you need to know that you can't find online for free. In fact, you can probably learn all of the core concepts (and some interesting extensions) on Wikipedia (which I consider to be the best textbook).

The Krugman and Wells book is available in the bookstore. In addition, there are a few other titles which are decent. *Macroeconomics* by David Colander is a reasonably good book. In addition, *Macroeconomics in Context* by Neva Goodwin et al. is a good book as well and for a relatively good price. Dollars and Sense puts out a book *Real World Macro* which is meant as a supplement to mainstream textbooks to provide alternative perspectives (Marxist, Post-Keynesian, Feminist, etc.) on macroeconomic issues and concepts. I will likely post a few of the articles from this book for you to read.

Each week I will email out a dispatch connecting the topics we cover with current and historical political and social issues as well as highlighting germinal papers which both support and refute the

models we learn about. Although none of this additional reading is required, it will definitely help to illustrate the relevance of the topics we are covering, as well as provide some material to help with the class project.

**Resources:** wikipedia.org – Wikipedia: The best textbook  
simple.wikipedia.org – If you find Wikipedia has too much jargon  
khanacademy.org – Free ten minute online tutorials in almost all topics you can think of

**Goals:** My goal is to help you understand economics proficiently. To that end, we must recognize that every participant in the classroom, regardless of academic rank within the education system, has something to offer toward the learning process. That said, I will regard everyone in the class as a scholar, neither teacher nor student, but both teacher and student. By the end of this course, I hope that each one of you will not only be able to *reproduce* economics, but also be able to *discuss* economics.

### Course Outline:

Jan 24:	Economic History and History of Economic Thought
Jan 31:	Economic Institutions, Growth, and Fluctuations
Feb 7:	Aggregate Accounting and Classical Political Economy
Feb 14:	Supply and Demand
Feb 21:	Long Run Marshallian Model
Feb 28:	Short Run Keynesian Model
March 7:	No Class (Spring Break)
March 14:	No Class (Midterm Due)
March 21:	Aggregate Expenditure and Multiplier Effect
March 28:	Monetary and Banking History
April 4:	Financial Markets, Savings and Investment
April 11:	Monetary Policy
April 18:	Unemployment and Economic Crisis
April 25:	Fiscal Policy
May 2:	No Class (Final Exam)

**Grading:** So here's the problem, grading is one of my least favorite things to do ever. I hate it. I don't like it. If I had my way, people would take classes voluntarily for free from people willing to lead them and would prove their proficiency in real life. Unfortunately, the banking system of education forces educators to grade students in order to artificially create scarcity in the market for education so that it can be a commodity rather than useful. To learn more about the banking system of education, see Paulo Friere's *Pedagogy of the Oppressed*.

Your grade in this class will be based on two exams and a class project. The midterm and the final will count for a specified percentage of your grade and the class project will provide an additional boost to your grade (more below). Both exams will be take home and feature short answer and essay sections as well as some multiple choice questions. I usually come up with the grading system for each exam after I receive the exams in a manner that is most charitable to the grades of the bulk of the class while still maintaining the integrity of providing a metric of your understanding of the concepts for which you are responsible.

I promise to provide you with a study guide at least a week before each exam. The final will be cumulative inasmuch as the concepts from the second half of the semester build on the concepts from

the first. We will determine the grade breakdown through averaging an anonymous ballot of how much each of you want the final to count toward your overall grade.

Midterm: \_\_\_\_\_

Final: \_\_\_\_\_

**Class Project:** To that end, this class will also develop and curate a collaborative encyclopedia (i.e., a Wiki) which will provide a boost to your final grade. I have set up a Wikispaces account called SaturdayMacro, and will provide all of you with accounts to edit it. I have not yet used this platform to run a class, so we will develop a formal grading system for it after a week or so when we have all familiarized ourselves with the platform. For now, I will let you know that I intend to make the grade boost contingent both on the average weekly volume of your contributions to the Wiki and the percentage of your contributions as a percentage of the overall contributions the class makes as a whole. Once we figure out a formal grading system, I will provide you with weekly update as to how the project will impact your grade.

Formal Grading Scheme: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Academic Honesty and Attribution:** The University's *Academic Conduct Policy* Standards defines plagiarism as, “representing in any academic activity the words or ideas of another as one’s own (whether knowingly or in ignorance) without proper acknowledgment. This principle applies to texts published in print or on-line, to manuscripts, to your own work, and to the work of other students. Acts of plagiarism include but are not limited to:

- Paraphrasing ideas, data, or writing (for instance, from web or online databases, books, periodicals, monographs, maps, charts, pamphlets, and other electronic sources), even if it makes up only part of your written assignment, without properly acknowledging the source; or
- Using someone’s words or phrases and embedding them in your own writing without using quotation marks and citing the source; or
- Quoting material directly from a source, citing the source on the bibliography page, but failing to mark properly the author’s text or materials with quotation marks and a citation; or
- Submitting as your own part of or an entire work produced by someone else; or
- Transferring and using another person’s computer file as your own; or
- Obtaining papers, tests, and other assessment material from organizations or individuals who make a practice of collecting papers for resubmission; or
- Using visual images, dance performances, musical compositions, theatrical performances, and other digital resources (PowerPoint presentations, etc.) as your own without proper acknowledgement.”

For me, attribution of one's sources is not a matter of integrity, but rather of credibility. For the most part, I do not presume you will represent someone else's statistical or mathematical proofs as your own.

However, I do find it plausible that you might represent the manner of argumentation as your own. When you fail to cite your sources, you do not convey a feigned base of knowledge, but a protracted unsupported assertion. Academic inquiry is essentially a collective endeavor in which we are constantly building upon the ideas of each other. When you cite your sources, it not only pays those back who produced the knowledge upon which you base your own arguments, but it also pays it forward to those who would like to trace the origins of an idea to its roots.

**Best Practices for Use of Sources:** I have developed a sort of taxonomy of potential sources. In general, the course of your research will take you from the bottom of this taxonomy to the top as you learn more about the subject. However, you should cite things in the top categories before resorting to citing from the categories below it (in general, a good piece of research from one of these categories will cite sources from one of the categories above it). This is more of an art than a science, so there will of course be exceptions and judgment calls. You should *always* do some research into the author and source of any ideas before regarding them as fact or worthwhile opinion.

Best – “Scientific” Publications

1. Peer-Reviewed Academic Journal Articles
2. Edited Volumes by Well-Credentialed Authors
3. Books by Well-Credentialed Authors

Good – Only If They Contribute Substantially To Academic Debate

4. Working Papers Unpublished Elsewhere
5. Books by Less-Credentialed Authors
6. Speeches

Okay – Only If They Generated a Measure of Publicity and You Are Discussing That Publicity

7. Blog Posts
8. Books by Uncredentialed Authors
9. Op-Eds or Long Form Journalism
10. Tweets, Facebook Posts, or Interviews

Never – For Reference Only

11. Encyclopedias (In Print or Online e.g. Wikipedia)
12. Textbooks
13. Dictionaries
14. Random-Ass Websites

**Students in Need of Accommodation:** Students with disabilities will receive appropriate accommodations based on their status with the Office of Student Support Services. Students with disabilities are requested to present the instructor with appropriate paperwork at the earliest possible moment in the semester in order to facilitate proper compliance with University regulations. Those students who believe they are in need of accommodation, but have not filed with the office of Disability Support Services or have been denied an accommodation request may still meet with me privately to determine what accommodations can be made.

Student Support Services

Pratt Building, Room 410 Monday thru Thursday 9 - 7 p.m. and Friday 9 - 5 p.m.

Phone: 718-488-1044

Email: [bkln-studentsupportservices@liu.edu](mailto:bkln-studentsupportservices@liu.edu)

**Non-Discrimination Policy:** According to the *Long Island University Anti-Harassment/Discrimi-*

### *nation Policy and Complaint Procedure:*

Long Island University is committed to maintaining a learning and working environment that is free of bias, prejudice, discrimination and harassment and an environment that supports, nurtures, and rewards career and educational advancement purely on the basis of ability and performance. Discrimination or harassment based upon race, color, religion, genetic information, sexual orientation, gender and/or gender identity or expression, marital or parental status, national origin, ethnicity, citizenship status, veteran or military status, age, disability or any other legally protected basis is prohibited by law and undermines the character and purpose of the University. Such discrimination or harassment is illegal, against University policy, and will not be tolerated.

Freedom from fear of expressing one's own identity is essential to the learning process. That said, I take discrimination very seriously. There will be no racist, sexist, or homophobic slurs in my class. Any kind of hurtful discrimination will not be tolerated. That isn't to say that you are not allowed to discuss these differences in a civil and understanding way. However, any derogatory remarks will be punished with a thousand word essay on a relevant topic. Subsequent violations will receive an additional thousand words for each offense. Each paper assigned that is not turned in will lower your final grade by ten percent. There will be no warnings. This is your first warning. If you need another warning, please reread this paragraph.

**Title IX Statement:** Title IX makes it clear that violence and harassment based on sex and gender is a Civil Rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, etc. The University and its representatives are required by law to ensure a safe learning and living environment for all students. If you or someone you know has been harassed or assaulted, you can find the appropriate resources here:

- The University Title IX Coordinator, Ronald Edwards, ronald.edwards@liu.edu, or appropriate designee, 516-299-2505/4236 (LIU University Center).
- The Dean of the appropriate School or College
- The Dean of Students/Campus Title IX Coordinators, 516-299-2255 (LIU Post Campus) and 718-488-1602 (LIU Brooklyn Campus).
- The University has retained EthicsPoint/NAVEX Global pre-dispute solutions to be available to accept anonymous harassment or discrimination complaints 24 hours a day, seven days a week by an online complaint process which also has a toll free number. Employees and students can access EthicsPoint/NAVEX Global at: <https://secure.ethicspoint.com/domain/media/en/gui/13188/index.html> (click box "file a report" and then enter "Long Island University" in the box that asks for the name of the institution) or by calling 1-866-295-3143.
- Coming to me privately – all conversations will be held in the strictest confidence, and I promise to support you in whatever action you choose to take in seeking justice.

To learn more about campus sexual harassment assault, your rights under Title IX and what you can do to fight to end campus sexual harassment and assault, visit [KnowYourIX.org](http://KnowYourIX.org).