

FNCE 613:
Macroeconomics and the Global Economic Environment
Fall 2022

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Office Hours

By appointment (also available to answer questions over email).

TA office hour: TBD

Course Materials

- (1) Slides posted online
- (2) Supplemental notes posted online
- (3) Links to readings to be accessed online
- (4) A subscription to the Economist (recommended)
- (5) Macroeconomics by Charles I. Jones, W. W. Norton, 5th edition, 2020 (optional)

Exam Dates

Exam I: Midterm

2h exam on Thursday, probably on October 13. Exact date/time to be confirmed.

Exam II: Final

2h exam during Final Exam period (December 15-22). Exact date/time to be confirmed.

Course Objectives

This course will provide students with the foundation to understand important macroeconomic issues and learn how to evaluate the macroeconomic and policy environment in which business decisions are made. The first half of the course, taught by Tim Landvoigt, will introduce fundamental macroeconomic concepts focusing on the components of GDP (consumption, investment, government spending, and net exports), productivity and long-run growth, the financial system, and central banks/monetary policy. The second half of the course, taught by Tom Winberry, will then provide a unified framework to understand these macroeconomic concepts and apply the framework to study business cycle fluctuations. We will focus on current macroeconomic events and the extent to which government policy can or should affect macroeconomic outcomes.

Course Structure

Lectures

Our course is lecture-based and meets twice a week for one hour and thirty minutes each meeting. Most lectures are divided into two parts: developing new economic concepts and applying those concepts to a current policy topic or economic issue. Students are expected to come to class prepared and actively participate.

Course website and readings

The course website is hosted by Wharton's Canvas system. It contains links to lecture slides, recorded class sessions, and other course content. The other content includes course readings, which are short articles drawn from the popular and financial press. These readings are optional, but we post them so that the more enthusiastic students in the class have the chance to learn more and apply the material in class to understanding current events.

Optional textbook

The Jones textbook assigned for this class is optional. Many students succeed without buying the text, but many other students find the text helpful (it can be useful to see the same material from class presented in a slightly different way). We will leave it up to you to figure out what works best for you. We will mark the appropriate readings from the text on the course reading list.

Quizzes

In most weeks, we will post a short (10-15 minute) online quiz on Canvas. The purpose of these quizzes is to give you an incentive not to fall behind on class material. In the past, students have found this commitment device very useful. The quizzes will be easy if you are keeping up to date with the course. We will also post practice questions to help you prepare for the quiz each week.

How to succeed

We will send weekly updates with reminders of what is expected for that week. However, we want to stress that succeeding in this course is simple: come to class prepared, actively participate in lectures, complete the quizzes, and, if desired, do the optional readings and participate in the online discussions.

Expectations and Evaluation

Grading

Your grade will be determined by two components:

- (1) 70% from exams. There is one midterm and one final. The higher of your two exams will count for 45% of your grade and the lower of your two exams will count for 25% of your grade. This system allows for some insurance against one poor exam performance.
- (2) 30% from quizzes. There will be 10 quizzes total (5 in each half of the class), but we will drop your lowest quiz grade for each half. The last quiz will be a writing assignment to be discussed at the beginning of class.

All quizzes will administered online through Canvas. We will typically post the quizzes by Thursday morning of a given week and the quiz will typically be due on the following Monday.

The midterm and final exams will be given during the scheduled midterm and final exam times set by the MBA program office (see front page). The midterm will be an online exam. The format of the final exam – in person or online – remains to be decided.

You must work on all quizzes and exams alone. Quizzes are closed-book, but you are allowed a single-sided 8.5” by 11” cheat sheet for the midterm exam and a double-sided 8.5” by 11” cheat sheet for the final exam.

An exam can be rescheduled only if required by university policy. Any request for a makeup exam as well as notification of disability accommodations must be directly addressed to the MBA Program Office. Students that miss an exam for a valid reason, as determined by the MBA

program office, will get the chance to take a make-up exam during the final exam period. In this case, the make-up exam score will replace the score of the missed exam. If a student has excused absences for both exams, the make-up exam will count for 100% of the exam grade.

Re-grades

Regrade requests for the exams must be submitted using the Regrade Request form together with the Statement of Honesty posted on the course website and must be accompanied by your exam. Requests must be submitted within one week from the date the exam is returned (whether or not you actually pick up the exam on that date). For any request, the entire exam will be automatically regraded; meaning, the grade may stay the same, go up, or go down. Any alteration of the exam is therefore strictly forbidden and will be considered a violation of the University's Code of Academic Integrity.

Code of Academic Integrity

Students must adhere to the University's Code of Academic Integrity. Any student found responsible of academic misconduct, cheating, fabrication or plagiarism will automatically fail the class, and the incident will be reported to the MBA Program Office.

Communication

We will send weekly updates before each week of class describing the material that we will cover in class the following week, the material that will be relevant for the next quiz, tips on how to study, the discussion topic for that week, and anything else that comes to mind.

Recording Policy

By attending course sessions, students acknowledge that:

1. They will not: (i) record, share, or disseminate Wharton course sessions, videos, transcripts, audio, or chats; (ii) retain such materials after the end of the course; or (iii) use such materials for any purpose other than in connection with participation in the course.
2. They will not share links to Wharton course sessions with any persons not authorized to be in the course session. Sharing course materials with persons authorized to be in the relevant course is permitted. Syllabi, handouts, slides, and other documents may be shared at the discretion of the instructor.
3. Course recordings, content, and materials may be covered by copyrights held by the University, the instructor, or third parties. Any unauthorized use of such recordings or course materials may violate such copyrights.

Course Schedule

First Half

Class	Date	Quiz	Topic
1	Tu, 30-Aug		Introduction, National Income Accounting
2	Th, 1-Sep		Inflation and Real GDP Growth
3	Tu, 6-Sep	#1	How Can The Economy Grow Perpetually?
4	Th, 8-Sep		Long-run Trends: Technology and Demographics
5	Tu, 13-Sep	#2	Business Cycles and the Labor Market
6	Th, 15-Sep		Consumption and Savings Behavior
7	Tu, 20-Sep	#3	Investment and the Real Interest Rate
8	Th, 22-Sep		International Trade: Theory and Accounting
9	Tu, 27-Sep	#4	Does the Federal Reserve Print Money?
10	Th, 29-Sep		Monetary Policy and the Yield Curve
11	Tu, 4-Oct	#5	Government Debt: (Unpleasant) Fiscal Arithmetic
	Th, 6-Oct		No Class: Fall Break
12	Tu, 11-Oct		Review for Midterm Exam
	12-Oct – 17 Oct		Midterm Exam in Core Exam Period Oct 12 - 17 Exact date/time to be confirme

Second Half - TBA