Principles of Macroeconomics

• Two formats:
  – Lecture/Rec: Ricardo Caballero, M-W 1; Re F
  – All-section: M-W-F (synchronized)

• Three short tests (no exam)

• 6 Problem sets (marginal)
Macroeconomics?

• Micro-economics:
  – individual markets
  – effects are limited to that market

• Macro-economics:
  – aggregate: sum of markets plus cross effects
    • GDP, U, Inflation
  – Too complex => Take shortcuts => Art

• Ambitious! Too much? Not at this level
Style

• Basic structure (book) + current events
• Level: Read and find mistakes in “technical” news
  – Discuss news frequently
“In the News” (Bloomberg 09/05)

- S&P 500 Gains for a Fourth Week, Longest Streak Since January
- U.S. 10-Year Treasury Has Biggest Weekly Drop in 6 on Job Gains
- Dollar Has Biggest Weekly Gain in Five Versus Yen on Job Growth

- Asian Currencies Have Weekly Gains as Investors Buy More Stocks
- South Korean Business Confidence Rises; First Gain in 4 Months
- Japan's Bonds Have Weekly Gain on Expectations Growth Will Slow

- European Bonds Drop in Week as Economic Growth Outlook Improves
- German Stocks Advance After U.S. Adds Most Jobs in 3 Months

- Brazil Economy Has `Solid' Growth, IMF's de Rato Says
A Tour Around the World

• US

• Europe

• Japan

• Emerging economies
Figures/Tables-Chapter 1