ECN 101 Intermediate Macroeconomics

Jeff K.W. Cheung, UC Davis

Summer Session 2, 2025

Course Overview

What explains economic growth? What causes inflation, and how does it relate to money printing? Should we worry about rising government debt? Why do financial crises occur, and how can we prevent the next one? Macroeconomics answers these questions by introducing the government and the central bank into optimization problems of individual households and firms, tracing their influence on aggregate fluctuations in consumption, investment, and output—key variables that summarize the health of the overall economy. In this course, we will build rigorous micro-founded mathematical models to perform comparative-static exercises ("what if?") and sensitivity analyses ("should we?") of fiscal, monetary, and macroprudential policies. We will then bridge these theories with empirical data to explain observed macroeconomic dynamics and guide evidence-based policy recommendations. By the end of the course, you will master the quantitative tools of modern macroeconomics, understand optimization at the scale of entire economies, and be able to read—and, more importantly, critically assess—the headlines in financial news.

Arrangement

- **Meetings**: MTW 2:10 PM–3:50 PM at Hutchison Hall 115
- **Instructor**: Jeff K.W. Cheung (jkwcheung@ucdavis.edu, see Email Policy below)
    - **Office Hours**: Tuesday and Wednesday 4 PM–5 PM at SSH 139
- **Discussion**:
    1. Thursday 2:10 PM–3:50 PM at TLC 3213
    2. Thursday 4:10 PM–5:50 PM at TLC 3211
- **Teaching Assistants and Office Hours**:
    - Seungmin Lee (sgmlee@ucdavis.edu); Wednesday 11 AM−1 PM; Thursday 11 PM−12 PM at SSH 137

Grading

There will be 6 weekly problem sets and 3 in-person exams.

- **Weekly problem sets (20%):** Problem sets are due every Thursday at 10 PM, immediately before the discussion session. They are graded on completion using ✓+/ ✓ / ✓−. Submissions must be handwritten in pen or pencil, scanned and compiled into a single PDF and uploaded to Canvas by the deadline. Late or typed submissions will receive a score of 0. The lowest homework grade will be dropped.

- **In-person exams (80%):** All exams are closed-book—no notes, cell phones, or calculators are allowed. Each exam is non-cumulative and curved to class performance. The scope of each exam will be announced in lecture.

  Two exams will be administered during discussion sessions, and the third on the final day of class. Each exam lasts for 1 hour and 40 minutes. For the first two (both Thursdays), you may choose either time slot:

  - Exam #1: 8/14 (Thursday): 2:10 PM–3:50 PM (TLC 3213) or 4:10 PM–5:50 PM (TLC 3211)
  - Exam #2: 8/28 (Thursday): 2:10 PM–3:50 PM (TLC 3213) or 4:10PM–5:50PM (TLC 3211)
  - Exam #3: 9/10 (Wednesday): 2:10 PM–3:50 PM (Hutchison Hall 115)

  Students who complete all three exams with strong performance will be eligible for the A range grades (A+/A/A-). If for any reason (e.g., sickness or emergency), you take only two exams, your grade will be based on your two highest scores but capped at B+ (and may fall below B+ depending on the curve). No extra make-up exams will be given under any circumstances. In other words, your overall exam grade will be determined by your two best exam scores, with a B+ cap if you miss or skip any one of the exams.

  On the first page of each exam, please write "No aid, no violation" and sign next to it. Exams submitted without this pledge will not be graded.

- **Extra Credit (10%):** While attendance is not mandatory, I strongly encourage you to attend lectures and discussion sessions. Each week I may assign newspaper articles for class discussion, and there may be random pop-up quizzes during lectures. I will keep a record of regular attendance and class participation, and I will factor it into your final letter grade at the end of the course. The full 10% extra credit can raise your grade by one letter (e.g., B to A, or C to B).

Lecture Materials

The required textbook is:

Jones, Charles I. Macroeconomics. Sixth edition., W. W. Norton & Company, 2025.

The eBook is available via the Canvas “Bookshelf” tab as part of the UC Davis Equitable Access Program. Please make sure to opt-out if you prefer another purchasing option. You may also choose to refer to the earlier editions of the same textbook. All lectures and notes will be recorded and shared through Microsoft OneNote. You are encouraged to ask questions via the OneNote Classroom platform.

Email Policy

Please note that I rarely respond to routine course emails. Instead, I strongly encourage you to talk with me or the TA in person—either right before/after lecture or discussion sessions, or during our office hours—so we can address your concerns more efficiently. You may also post questions regarding homework or practice exams in our class OneNote notebook, which the TAs and I monitor regularly. For truly urgent matters (e.g., accommodation requests or emergencies), please send me an email with the subject line “[ECN 101 important]: Your request” and I will prioritize replying to your message.

Academic Conduct

Please uphold the UC Davis academic conduct: cheating on exams or sharing exam materials with other students is strictly prohibited. All exams are closed-book—only pens/pencils and a student ID card are allowed in the exam room. No cell phones, notes, or calculators will be allowed during exams. Any suspected violations will be reported without hesitation. I am aware that generative AI (e.g., ChatGPT) can help clarify difficult concepts, and you are encouraged to use it for learning purposes. However, copying and pasting AI-generated solutions into your submission is strictly prohibited, and you will receive a score of 0—which is why all homework submissions must be handwritten.

Additional Notes

UC Davis is committed to educational equity in the academic setting, and in serving a diverse student body. I encourage all students who are interested in learning more about the Student Disability Center (SDC) to contact them directly at sdc.ucdavis.edu, sdc@ucdavis.edu or 530-752-3184. If you are a student who requires academic accommodations, please submit your SDC Letter of Accommodation to me as soon as possible, ideally within the first two weeks of this course.

TENTATIVE SCHEDULES

Week 1	
8/4 (M)	Chapter 1 and 2: Measuring Macroeconomy
8/5 (T)	Chapter 4: A Model of Production
8/6 (W)	Chapter 5: Solow Growth Model: Part (1)
8/7 (Th) discussion	• HW1 due at 10PM via Canvas
Week 2	
8/11 (M)	Chapter 5: Solow Growth Model: Part (2)
8/12 (T)	Chapter 7: Labor Market, Wages, and Unemployment
8/13 (W)	Discussion and Application: "Computers Unleashed Economic Growth. Will Artificial Intelligence?" The Economist (London), 2024.
8/14 (Th) Exam #1	• Exam #1 • HW2 (Practice Exam #1) due at 10PM via Canvas
Week 3	
8/18 (M)	Chapter 8: Inflation
8/19 (T)	Chapters 9 and 10: An Introduction to the Short-run and the Great Depression
8/20 (W)	Chapter 11: The IS Curve
8/21 (Th) discussion	• HW3 due at 10PM via Canvas
Week 4	
8/25 (M)	Chapter 12: Monetary Policy and the Phillips Curve
8/26 (T)	Chapter 14: Financial Considerations in the Short-Run Model, Part (1)
8/27 (W)	Discussion and Application: "Interview with Anna J. Schwartz— Noted economist Anna J. Schwartz shares her thoughts on money, banking and Trollope." David Fettig, Federal Reserve Bank of Minneapolis, 1993
8/28 (Th) Exam #2	• Exam #2 • HW4 (Practice Exam #2) due at 10 PM via Canvas
Week 5	
9/1 (M)	Labor Day Holiday – No Class
9/2 (T)	Chapter 13: Stabilization Policy and AS/AD Framework, Part (1)
9/3 (W)	Chapter 13: Stabilization Policy and AS/AD Framework, Part (2)
9/4 (Th) discussion	• HW5 due at 10 PM via Canvas
Week 6	

9/8 (M)	Chapter 14: Financial Considerations in the Short-Run Model, Part (2)
9/9 (T)	Discussion and Application: "With inflation front and center, work that launched "rational expectations revolution" still resonates", Jeff Horwich, Federal Reserve Bank of Minneapolis, 2022
9/10 (W) Exam #3	• Exam #3 • HW6 (Practice Exam #3) due at 10PM via Canvas