

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