

FNCE 6230

MACROECONOMICS AND THE GLOBAL ECONOMIC ENVIRONMENT

THE WHARTON SCHOOL OF THE UNIVERSITY OF PENNSYLVANIA

PROFESSOR ANTHONY LANDRY

SPRING 2025 Q3

COURSE DESCRIPTION

Macroeconomics and the Global Economic Environment is a half-semester intermediate macroeconomics course emphasizing current events and policy applications. It is designed for business leaders and equips students with analytical tools to identify and interpret the economic forces shaping business and finance. The course introduces essential topics such as national income accounting, production and economic growth, the labor market, consumption, investment, business cycles, fiscal and monetary policy, and international trade and finance. By the end of the course, students will confidently assess and engage in discussions on the global economic environment driving business decisions.

COURSE MATERIAL

Canvas

The Canvas website contains the syllabus, lecture notes, quizzes, teaching assistants' contact info, and other helpful information. Canvas is also a valuable hub from which to start and participate in course-related discussions. **Please note that all materials posted on Canvas are copyrighted.**

Reading Material

Most of the course material comes from the lecture notes and assigned readings. Lecture notes are accessible on Canvas, while most readings are from *The Economist*, *The Financial Times*, *The New York Times*, *The Wall Street Journal*, and publications from the Federal Reserve System and Brookings Institute. These readings are hyperlinked within the syllabus and available on Canvas (Tab @Penn Libraries).

There is no required textbook for this course. However, I recommend [Macroeconomics \(6th edition\)](#) by Charles I. Jones (2025), referred to as **Jones**. The course outline below lists suggested readings from Jones to complement our class discussions. Additionally, I've included references to sections from [Macroeconomics \(11th edition\)](#) by Andrew B. Abel, Ben S. Bernanke, and Dean Croushore (2024), referred to as **ABC**. This is another excellent resource that I frequently draw upon.

The course concepts will be closely tied to current events, so staying updated on economic news throughout the semester is important. I recommend subscribing to *The Economist*, *The Financial Times*, *The New York Times*, *The Wall Street Journal*, or a similar publication. Selected articles from these sources may be added to the required readings during the semester. Additionally, I strongly suggest listening to the [Marketplace](#) podcast for daily news and economic insights.

GRADING

Grades are based on an exam (75%), three quizzes (15%), and class participation (10%). Class participation includes attendance but is primarily depends on coming to class prepared to discuss the assigned material, your engagement during lectures, and your curious, respectful, and meaningful contributions to class discussions. Attendance is mandatory to pass this course—you cannot pass without attending the majority of class sessions. A good faith effort is expected from all students. Assigned seating will be implemented to facilitate participation and engagement. Video validation will monitor class attendance approximately 15 minutes after class starts. I may also use the aPlus+ Attendance Application.

Your academic engagement, performance, and attendance are essential for maximizing your learning experience and contributing to a great learning environment for your classmates. Wharton students are admitted in part because of the perspectives they bring to the community and their potential to enhance class discussions. Therefore, absences should be limited to cases of personal emergency. Additionally, late arrivals disrupt the learning environment, and punctuality is expected. Class attendance will be recorded using video validation 10 minutes after the start of each session.

Examinations

The exam is on Monday, March 3, 2025, 7:00-9:00pm. The exam will be conducted in person and administered online via Canvas. It is a comprehensive and closed book exam. However, you may have **one single-sided 8.5" x 11" page of handwritten notes for the exam.** This handwritten page can only contain your notes in your handwriting and cannot include large portions of reproduced notes or any other course materials such as slides, solution manuals, or answer keys. Calculators are permitted. The final exam will cover material from the entire course. All students must adhere to the [MBA Code of Ethics](#) and the [Code of Academic Integrity](#). The exam can be rescheduled only if required by university policy and only during the official make-up period. Any regrade requests must be specific and submitted within one week of the date the exam grades are released.

Quizzes

There will be three quizzes available on Canvas. The quizzes are designed to reinforce key class concepts and to help you prepare for the exam. Your quizzes grade will be the average of your best two quizzes. You can work on quizzes with other students but must submit your answers individually. Due dates are indicated in the table below and under the course outline section of this syllabus. The quizzes must be submitted by 11:59pm ET on the due date. Quizzes will not be accepted late, and no regrade requests will be entertained. Answers to quizzes will be posted on Canvas after the due date.

QUIZ #	TOPIC	AVAILABLE ON	DUE BY 11:59pm ON
1	Macro data, production, and economic growth	Monday, January 27	Sunday, February 2
2	The labor market, consumption, and investment	Wednesday, February 5	Sunday, February 16
3	Business cycles and U.S. monetary policy	Wednesday, February 19	Sunday, February 23

ACADEMIC INTEGRITY AND COURSE ETIQUETTE

The [MBA Code of Ethics](#) and all relevant University policies regarding [Academic Integrity](#) must be followed. The [Wharton Learning Agreement](#) is in effect to ensure a positive learning environment. These policies regarding ethics, academic integrity, respect, and class attendance are strict.

Class Recordings

To balance access to recordings with class engagement and fairness to all students, I will release all recordings to enrolled students after the last class session—before the final exam. This approach has proven effective in addressing most concerns while fostering a sense of equity among students. It allows everyone to review the material before the exam and significantly reduces individual requests related to recruiting or personal emergencies. Additionally, students recognize that trying to catch up on all the material just before exams is challenging, encouraging consistent engagement throughout the term.

Copyrights

All materials posted on Canvas, including lecture slides, quizzes, and exams, are copyrighted and may not be distributed, shared, or reproduced without my written permission. Taking or sharing photos or videos of lectures, class materials, or anything written or projected during class is strictly prohibited. Class recordings are intended solely to benefit students who must miss a session. Any personal recording or non-academic use of class sessions is strictly forbidden. Violations of this policy will be treated as breaches of the MBA Code of Ethics and academic integrity, and legal action may be pursued.

Generative AI

Generative AI is a valuable tool that enhances your learning experience. While I encourage its use, engaging with AI-generated content thoughtfully and responsibly is essential. Relying on AI to produce work without actively expanding, modifying, or critically engaging with it means you are not truly developing your own knowledge and skills. This approach not only diminishes your learning experience but may also constitute a violation of the MBA Code of Ethics if the work is misrepresented as your own.

CONTACT INFORMATION AND TEACHING ASSISTANTS

Most course information is available on Canvas, **and all questions related to the course material should be posted on Canvas**. I'm happy to answer brief and concise questions on Canvas, as it's an efficient way to clarify concepts and share information. Please avoid posting or emailing questions addressed in the course materials, including the syllabus.

Email: alandry@wharton.upenn.edu

Office hours: Tuesdays, 9:00 - 10:00am

Location: MBA Program Office, JMHH Suite 300

Teaching Assistants

Name	Email address	Office hours
Adam Beaton	ambeaton@wharton.upenn.edu	Tuesday, 5:00-6:00pm (JMHH F88)
Carl Brown	jobro@wharton.upenn.edu	Tuesday, 1:30-2:30pm (JMHH F88)
Sachin Doshi	doshisac@wharton.upenn.edu	Thursday 9:45-10:45am (SHDH 103)
Benjamin Parker	bgparker@wharton.upenn.edu	Monday, 12:30-1:30pm (JMHH F88)
Daniel Varrichio	dgv@wharton.upenn.edu	Thursday, 3:30-4:30pm (Zoom)
Alan Yin	alanyin@wharton.upenn.edu	Tuesday, 11am-12pm (JMHH F88)

Office hours start during the week of January 27. Some teaching assistants prefer in-person office hours, while others prefer online ones. Online office hours are available through the Zoom tab on Canvas.

COURSE SCHEDULE

LECTURE #	DATE	TOPIC
1	Wednesday, January 22, 2025	Macroeconomic Data
2	Monday, January 27, 2025	Production and Economic Growth
3	Wednesday, January 29, 2025	The Labor Market, Wages, and Unemployment
4	Monday, February 3, 2025	Consumption and Saving Decisions
5	Wednesday, February 5, 2025	Investment and Goods Market Equilibrium
6	Monday, February 10, 2025	Business Cycles and the Phillips Curve
7	Wednesday, February 12, 2025	Aggregate Demand and Aggregate Supply
8	Monday, February 17, 2025	The Federal Reserve and U.S. Monetary Policy
9	Wednesday, February 19, 2025	Trade, Exchange Rates, and International Finance
10	Monday, February 24, 2025	The Government and the Macroeconomy
11	Wednesday, February 26, 2025	FNCE 6230 Lessons and Review Session
	Monday, March 3, 2025	NO CLASS—FINAL EXAM, 7:00-9:00pm

COURSE OUTLINE AND READING LIST

Wednesday, January 22: Macroeconomic Data

Topics: National income accounting, Gross Domestic Product (GDP), income and wealth, nominal and real economic variables, price indices and inflation, nominal and real interest rates, the Fisher equation.

Readings: **ABC** Ch. 2

Jones Ch. 2

[America's economy enters 2025 in great shape](#), *The Economist*, November 2024

[The Federal Reserve takes on Trump—and stubborn inflation](#), *The Economist*, December 2024

[How does the government measure inflation?](#) Brookings, June 2021

Monday, January 27: Production and Economic Growth

Topics: The production function, capital and labor inputs, Total Factor Productivity, diminishing marginal products, production and shocks to labor, capital and productivity, capital and labor inputs allocation, sources of economic growth, and income differences across countries.

Readings: **ABC** Ch. 3.1 and 6.1

Jones Ch. 4

[American productivity still leads the world](#), *The Economist*, October 2024

[Why America's economy is soaring ahead of its rivals](#), *The Financial Times*, December 2024

[Productivity during and since the Pandemic](#), *FRBSF Economic Letter*, November 2024

[Europeans are becoming poorer. 'Yes, we're all worse off.'](#) *The Wall Street Journal*, July 2023,

and a follow-up article: [Europeans have more time, Americans more money. Which is better?](#) *The Financial Times*, April 2024.

Quiz #1 is due on Sunday, February 2, by 11:59pm.

Wednesday, January 29: The Labor Market, Wages, and Unemployment

Topics: Labor demand and labor supply, income and substitution effects, labor market equilibrium, full-employment output, U.S. wealth and income inequalities, unemployment and the current state of the U.S. labor market, the natural rate of unemployment, the Beveridge Curve, Okun's law

Readings: **ABC** Ch. 3.2-3.6

Jones Ch. 7

[Learning About Churning: How Diminished Labor Market Churn Is Consistent With a Solid Labor Market](#), The White House, January 2025

[Can America's economy cope with mass deportations?](#) *The Economist*, January 2025.

Monday, February 3: Consumption and Saving Decisions

Topics: Consumption and saving decisions, the lifetime budget constraint, the utility function, the Euler equation, the permanent-income hypothesis, borrowing constraints, Ricardian equivalence, consumption as a random walk, precautionary savings, empirical evidence on consumption.

Readings: **ABC** Ch. 4.1 and appendix 4.A

Jones Ch. 16

[The Rise and Fall of Pandemic Excess Savings](#), *Economic Letter*, FRSF, May 2023 ([update](#)), and a follow-up article: [Pandemic Savings Are Gone: What's Next for U.S. Consumers?](#)

Wednesday, February 5: Investment and Goods Market Equilibrium

Topics: Components of physical investment, the firm's investment decision, the firm's desired capital stock, the user cost of capital, investment and the corporate income tax, the goods market equilibrium, saving and investment equilibrium, the real interest rate.

Readings: **ABC** Ch. 4.2-4.3

Jones Ch. 17

[Why are interest rates so low? Part 1](#), [Part 2](#), and [Part 3](#), by Ben Bernanke, April 2015

[A Bond Selloff Is Rocking the World. You Might Want to Take the Other Side](#), *The Wall Street Journal*, January 2025

[Why global bond markets are convulsing](#), *The Economist*, January 2025.

Quiz #2 is due on Sunday, February 16, by 11:59pm.

Monday, February 10: Business Cycles and the Phillips Curve

Topics: Business cycle trends and fluctuations, actual and potential output, firms' pricing behavior, the Phillips curve, the role of inflation expectations.

Readings: **ABC** Ch. 8, 11.2, and 12

Jones Ch. 12

[The Phillips Curve](#), The Brookings Institution, August 2018.

[How Much Has the Cooling Economy Reduced Inflation?](#) FRB-SF, November 2024

[Yes, There Is a Trade-Off Between Inflation and Unemployment](#), *The NYT*, August 2019

[Why are inflation expectations important?](#) Brookings, June 2022.

Wednesday, February 12: Aggregate Demand and Aggregate Supply

Topics: The *IS* curve, the monetary policy rule, the aggregate demand curve, the aggregate supply curve, the AS/AD framework, the liquidity trap, the dangers of deflation, expectations and economic activity, understanding the impact of the Covid-19 pandemic on economic activity.

Readings: **ABC** Ch. 9.5-9.6

Jones Ch. 13

[What is the neutral rate of interest?](#) The Brookings Institution, October 2023

[COVID-19 inflation was a supply shock](#), Brookings, August 2024

Monday, February 17: The Federal Reserve System and U.S. Monetary Policy

Topics: The Federal Reserve System, the Federal Open Market Committee, open market operations, conventional monetary policy, the Taylor rule, the Great Recession, unconventional monetary policy, the term structure of interest rate, financial stability, and climate change.

Readings: **ABC** Ch. 14.2-14.5

[The Next Big Fed Debate: Has the Era of Very Low Rates Ended?](#) WSJ, December 2024.

[What is forward guidance?](#) The Brookings Institution, July 2023

[How does the Fed define "maximum employment"?](#) The Brookings Institution, February 2022

[How Quickly Do Prices Respond to Monetary Policy?](#) *Economic Letter*, FRSF, April 2024

Wednesday, February 19: Trade, Exchange Rates, and International Finance

Topics: Trade and capital flows, open-economy saving and investment equilibrium, fiscal policy and the current account, nominal and real exchange rates, open-economy AS/AD, international transmission of business cycles and monetary policy shocks.

Reading: **ABC** Ch. 5 and 13
Jones Ch. 20

Quiz #3 is due on Sunday, February 23 by 11:59pm

Monday, February 24: The Government and the Macroeconomy

Topics: U.S. government spending and revenue, government debt and deficits, fiscal policy and aggregate demand, the fiscal multiplier, the U.S. fiscal policy response to the COVID-19 crisis, sustainability of public debt.

Readings: **ABC** Ch. 15.1-15.3
Jones Ch. 18

[What is discretionary spending in the federal budget?](#) The Brookings Institution, July 2023

[Rising Interest Rates Mean Deficits Finally Matter](#), *The Wall Street Journal*, October 2023

[The Long-Run Fiscal Outlook in the United States](#), *Economic Letter*, FRBSF, February 2024

Wednesday, February 26: FNCE 6230 Lessons and Review Session

Exam: Monday, March 3 from 7:00 to 9:00pm.