Administrative Issues

• Course website: 
  http://www.ssc.wisc.edu/~mchinn/web435_f17.html
• OH: M 12-1:30, W 11:45-12:15 7418 Soc Sci
• Textbook: Chinn/Frieden, *Lost Decades*
• Cecchetti/Schoenholtz, or Mishkin
• Additional Readings: from web, Econbrowser
• *NYT, FT, WSJ, Economist*
Administrative Issues

- Grading: 10% PS, 50% 2×MT, 40% paper
- Dates:
  - MT on 10/10, 11/7
  - Paper due on Fri, 12/16
- Make-ups: None. Points are re-allocated if you have a legitimate excuse. No late assignments accepted (must be handed in during lecture)
Why Definitions

- Review
- IS-LM model will require understanding of what variables are
- Need to know proxy for economic activity is GDP
- Key financial variable (to begin with) is interest rate
- Later, add in exchange rate, stock prices
GDP

• Sum of value of all goods and services produced within a given time period (usually a year or a quarter)
• If quarterly, usually adjusted up to yearly rates
• GDP = C + I + G + (Ex – Im)
• All these are “final” goods and services
GDP Components

Nominal GDP, SAAR bn. $

Nominal GDP. BEA, 2017Q2 2nd release