

Econ 4020-070
Intermediate Macroeconomics
Spring 2014

3.0 credit hours
Time: Wednesday; 6:00pm to 9:00pm
Venue: Sandy 116

Instructor

Doyoun Won, Graduate Student instructor
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Office: OSH 357
Office hour: By appointment

Textbook (available at the U of U Bookstore)

N. Gregory Mankiw, *Macroeconomics*, 8th ed., Worth Publishers, 2013.
I will be teaching from the newest edition (8th) but the used 7th edition will be okay if you want to use.

Canvas

This course also is supported on Canvas at: <http://learn-uu.uen.org>
Official announcements, links and other class materials will be posted in Canvas too, so please check periodically for messages pertaining to the course.

Course Description & Learning Objectives

Looking beyond the analysis of economic behaviors at the individual level, such as an individual consumer's preference, firm's decision making and industry's market structure which are main topics intensely examined by Microeconomics, Macroeconomics is the study of aggregate economic phenomena, the economy as a whole. Therefore, it focuses on the following components: saving, consumption, investment and international factors at the aggregate level as determinants of national output and price levels closely associated with inflation and unemployment rates. It will examine how to model the relationships between those aggregate economic performances, and discuss what impacts government (fiscal and monetary) policies or external shocks have on those. This course offers the general equilibrium approach of Mainstream economics to modern macroeconomic theories, which boils down to 'the long-run growth with short-run economic fluctuations under the assumption of the classical dichotomy'.

Prerequisites: **Econ 2010 and 2020 and College Algebra**

This course fulfills "**Quantitative Intensive (QI)**" General Education and Bachelor Degree Requirement.

Essential General Education Learning Objectives targeted by this course:

1) Inquiry and Analysis

The objects of an economist's interest are real world phenomena. We, however, reason about the world through abstract models. Macroeconomic theory in the course will provide students with analytical skills and theoretical concepts employed in order to understand synthetically macroeconomic phenomena from the side of the whole structure, rather than individual agency. Let's suppose we may be able to collect a piece of datasets in terms of macroeconomic indicators easily from the web sites such as IMF, World Bank, BEA and BLS to inquiry into how these move at this stage and what economic consequences the fluctuations are meaning in the near future. Then, what is the next step? We ought to be able to interpret or analyze these. What we need to do is to employ theory and analyze these using it in order to draw conclusions you want to know. That's where theory plays a crucial role in blending the two activities, inquiry and analysis, like a bridge. To understand the economic world, it is necessary to employ theory to draw the connections between economic concepts and events. Thus, the main goal of the course is to develop a coherent theoretical framework for thinking about the determination of macroeconomic variables: national output and price level, economic growth, unemployment, and inflation. Upon successful completion of this course, students will be able to apply logic and theoretical knowledge gained in the course to help address macroeconomic issues in the news we view daily.

2) Quantitative Literacy

Closely related to this type of inquiry and analysis is quantitative literacy to read macroeconomic indicators. The level of the course goes beyond the typical principles level courses in terms of both breadth and depth. The topics and concepts covered at the principles level are now extended into more complex and realistic models, which expose students more formally to macroeconomic 'theory'. Therefore, for our objective described above, that is to say, to improve your economic literacy and ability to apply economic models to analyze the real world events, students are in need of quantitative skills to figure out and construct appropriate graphical and numerical relationships between macroeconomic variables. To facilitate this, a portion of the course will focus on 1) examining some of the data used by macro-economists to assess and forecast the state of the economy, and 2) exploring macroeconomic models in greater depth and mathematical rigor.

3) Critical Thinking

However, in order for students to apply theory to the real world phenomena judiciously, they need to learn its nature, strengths, and weaknesses. We have to acknowledge that theory is always exposed to the possibility of failing to explain the real world, although it is regarded as the received view a certain period of time. Mainstream economic arguments introduced in the course are not meant to be the best answers to most of the controversial macroeconomic issues. Some of those are somewhat dogmatic. Hence, by the end of the course, it will try to discuss and identify whether or not those propose the most relevant solutions to current economic issues in light of the knowledge they gain throughout the semester, thereby providing opportunities for them to evaluate critically mainstream macroeconomic arguments from their own perspective. This critical assessment again may stir up their motivation to inquiry further into a variety of macroeconomic theories in the context of alternative views to come up with better approaches to economic problems at issue.

4) Foundations and Skills for Lifelong Learning

In recent years after the 2007-8 crisis, macroeconomic issues have once again surged to the forefront of public attention and debate. These are appearing regularly in the press, on the nightly news, and play a crucial role in election year campaign speeches. In such circumstances, applying macroeconomic theory to the issues is important for understanding the debate. The course aims to bring students up-to-date with major debates on the role of government policy, and offer the traditional macroeconomic perspectives on it to help them see the reasons, or lack thereof, for those in the context of the genealogy of macroeconomic theory. To achieve these, we will discuss the similarities and differences between the Classical and Keynesian views of Macroeconomics. Upon completion of this course, students will be able to intelligently discuss the current state of the economy and where it is heading, formulate their own views on how differently monetary and fiscal policies make effects on it in both the short and long runs, and finally judge what policies they, each as a member of society and participant in the economy, will or will not support.

Course Work

1) Reading

The course will follow the textbook closely. Because the lectures cover only the key points of each of the chapters, it is especially important that you keep up with the associated readings in a timely fashion according to the class schedule.

2) Quiz

There will be **two in-class (open book) quizzes** (one quiz before the mid-term and the other after the mid-term). The average score of those two quizzes will be counted for 20% of your final grade. **More details will be announced soon. We will go over these in the review session right before each exam.**

3) Exams

Two exams, mid-term and final, are a **closed book examination** which will cover chapters prior to each exam. It consists of **1) multiple choice questions; 2) short answer questions. A study guide or practice questions will be provided to help you prepare for the exams.**

4) A Short Essay for Extra Credit

Specific information will be announced after the mid-term exam.

Grading Policy

Your final grade in the course will be based on your attendance, class participation, and your results on both exams and two quizzes. Students can check out their scores on Canvas. It is calculated as follows:

Total: 100% = Two (in-class) Quizzes 20% + Mid-term: 40% + Final Exam: 40%

Your final grade will be determined by the following scale:

A = 90-100	B+ = 80-84	C+= 65-69	D = 45-54
A- = 85-89	B = 75-79	C = 60-64	E = 44 and below
	B- = 70-74	C- = 55-59	

Note: This tentative grading scale may be adjusted by class statistics.

Make-up Policy

If students know that they will not be able to take an exam, they must submit a written request/email the instructor with acceptable reasons for a previous or late exam one week in advance. If students do not make prior such arrangements, exams taken late will receive only 75% of the full grade points. A medical emergency requires a letter from a physician. Students must contact the instructor within one week after the exam; otherwise, no makeup will be given.

University Policies

ADA (Americans With Disabilities Act) Statement

“The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.” The complete policy can be found here: <http://www.hr.utah.edu/oeo/ada/guide/faculty/>

Accommodations Policy

“Some of the readings, lectures, films, or presentations in this course may include material that may conflict with the core beliefs of some students. Please review the syllabus carefully to see if the course is one that you are committed to taking. If you have a concern, please discuss it with me at your earliest convenience. For more information, please consult the University of Utah’s Accommodations Policy, which appears at: www.admin.utah.edu/facdev/accommodations-policy.pdf.”

Responsibilities

“All students are expected to maintain professional behavior in the classroom setting, according to the Student Code, spelled out in the Student Handbook. Students have specific rights in the classroom as detailed in Article III of the Code. The Code also specifies proscribed conduct (Article XI) that involves cheating on tests, plagiarism, and/or collusion, as well as fraud, theft, etc. Students should read the Code carefully and know they are responsible for the content. According to Faculty Rules and Regulations, it is the faculty responsibility to enforce responsible classroom behaviors, beginning with verbal warnings and progressing to dismissal from class and a failing grade. Students have the right to appeal such action to the Student Behavior Committee.”

“Faculty... must strive in the classroom to maintain a climate conducive to thinking and learning.” PPM 8-12.3, B.

“Students have a right to support and assistance from the University in maintaining a climate conducive to thinking and learning.” PPM 8-10, II. A.

“The syllabus is not a binding legal contract. It may be modified by the instructor when the student is given reasonable notice of the modification.”

“Attendance requirements & excused absences: The University expects regular attendance at all class meetings. An instructor may choose to have an explicit attendance requirement. Physical attendance may be used as a criterion in determining the final grade only where it indicates lack of participation in a class where student participation is generally required or as required by accrediting bodies. Any particular attendance requirements of a course must be available to students at the time of the first class meeting.”

“Students absent from class to participate in officially sanctioned University activities (e.g., band, debate, student government, athletics) or religious obligations, or with instructor's approval, shall be permitted to make up both assignments and examinations. The University expects its departments and programs that take students away from class meetings to schedule such events in a way that will minimize hindrance of the student's orderly completion of course requirements. Such units must provide a written statement to the students describing the activity and stating as precisely as possible the dates of the required absence. The involved students must deliver this documentation to their instructors, preferably before the absence but in no event later than one week after the absence.”

Spring 2014 Class Schedule: this can be changed depending on progress.

Week	Date (Wed.)	Outline	Readings & Coverage
1	1/8	Course Introduction: What is Macroeconomics?	Chapters 1, 2.
2	1/15	Classical Theory: The economy in the Long Run National Income	Chapter 3.
3	1/22	Classical Theory (cont'd.) Money and Inflation	Chapters 4, 5.
4	1/29	Classical Theory (cont'd.) The Open Economy	Chapter 6.
5	2/5	Classical Theory (cont'd.) Unemployment	Chapter 7.
6	2/12	Growth Theory: The Economy in the Very Long Run Economic Growth 1: Capital Accumulation and Population Growth IN-CLASS QUIZ 1	Chapter 8. Chs 3 to 7
7	2/19	Growth Theory (cont'd.) Economic Growth 2: Technology, Empirics, and Policy	Chapter 9.
8	2/26	Review Session for the Mid-Term Exam	
9	3/5	MID-TERM EXAM: 6 to 8:00pm, Sandy 116	Chs 3 to 9.
10	3/12	Spring Break	
11	3/19	Business Cycle Theory: The Economy in the Short Run Economic Fluctuations	Chapter 10.
12	3/26	Business Cycle Theory (cont'd.) Aggregate Demand: Building the IS-LM Model	Chapter 11.
13	4/2	Business Cycle Theory (cont'd.) Aggregate Demand: Applying the IS-LM Model	Chapter 12.
14	4/9	Business Cycle Theory (cont'd.) Aggregate Demand in the Open Economy: The Mundell-Fleming Model IN-CLASS QUIZ 2	Chapter 13. Chs 10 to 12.
15	4/16	Classical versus Keynesian Macroeconomics: Aggregate Supply and Aggregate Demand	Chapter 14.
16	4/23	Review Session for the Final Exam	
17	4/30	FINAL EXAM: 6 to 8:00pm, Sandy 116	Chs 10 to 14.