

INTERMEDIATE MACROECONOMICS
ECONOMICS 4020 – Spring 2013
M/W 1:25 – 2:45 HPR W 117

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Overview:

This course extends students' knowledge about the macroeconomy and, specifically, about the determination of output, unemployment and inflation. We will analyze the economy over three time horizons: the short run, the medium run and the long run. The discussion centers on the workings of and interactions among three main markets of a modern economy: the goods market, the financial market and the labor market. Extensions of the macroeconomic models in the context of the open economy will play an important part in this course. The analysis will cover issues related to the exchange rate, external imbalances and capital flows and their effects on domestic financial markets. Finally, we will look at sources of economic growth in the long-run. To this end we will discuss the role of population growth, capital accumulation and technological progress in determining economic growth.

Course Objectives:

At the end of the course, a successful student will be able to:

- [1] Understand the principles that underline the workings of the goods market, the financial market and the labor market in a modern economy.
- [2] Understand the mechanism and channels through which fiscal and monetary policies affect the macroeconomy.
- [3] Understand sources of economic growth over the short run, the medium run and the long run.
- [4] Understand how to use macroeconomic models to analyze an economy and to derive the effects of fiscal and monetary policies.

Course Material:

Required Textbook:

Macroeconomics, 6th ed., by Olivier Blanchard and David B. Johnson, Prentice Hall. The textbook can be purchased from the university's bookstore. An older edition may work as well with certain adjustments.

Other materials:

Various blogs that focus on macroeconomic issues are available online. Some of these are Brad Setser's blog (<http://blogs.cfr.org/setser/>), Financial Times' blogs (<http://www.ft.com/comment/blogs>). As I find interesting articles for you to read I will post them or the link to them on the Canvas.

MyEconLab:

Assignments will be posted on myeconlab.com. You can access [myeconlab](http://myeconlab.com) using the instructions at the end of this document. Study guides, articles, announcements or any other

materials pertaining to the course will be posted on MyEconLab website and, possibly on the Canvas. You can access the Canvas from your own U of U's portal (or account) at my.utah.edu.

Course Organization:

The class sessions will follow a lecture/discussion format. In addition to the presentation of formal macroeconomic models and theories I will try to go over as many actual examples and problems as possible. To this end during some of the classes I will ask you to work in groups on problems or case studies.

Course requirements:

There will be one midterm exam (see time schedule), one final exam and 10 assignments which will contribute to your final grade as following:

Final Exam:	30%
Midterm Exam:	30%
Assignments:	10*4% = 40%

Assignments will be posted on myeconlab and will include both multiple choice questions and some numerical or graph-based questions. The answers to the former will be entered online. For the latter, depending on the format, you will have to submit your answers on paper at the beginning of the class on the day the assignment is due.

Grades are not curved but will follow an absolute scale according to university's requirements: 93% and above A+, 90% -92% A-, 86-89%B+, 82-85% B, 79-81% B-, 76-78%C+, 73-75% C, 70-72% C-, 67-69% D+, 64-66% D, 60-63% D-,<60 F

Tentative date for the mid-term: Wednesday, March 6, 2013. The final exam will take place during the finals week. Based on that schedule the exam for ECON 4020 is scheduled for Monday, April 29, 2013 1:00 – 3:00 pm. Both the final and the midterm exams will be in-class, closed book and closed notes and will cover numerical and non-numerical problems as well as multiple choice questions. Prior to each of the two exams we will do a review session based on a study guide that I will post on MyEconLab and on Canvas. In preparation for the two exams you should work through the study guide, the problems you have received in your assignments and the problems we will be covering during class sessions.

Late assignments and make-up exam policy:

All assignments will be through myeconlab.com. The system will be set up such that after the deadline no answers to the multiple choice questions can be submitted. In other words no late assignments will be accepted. In terms of make-up exams, you will have to give me at least 4 weeks notice otherwise no make-up exam will be available. In case of family or personal medical emergency you will need to provide a note from a physician/hospital which will be checked by the department.

Other issues:

Students who need special accommodation for the exams will need to contact the University's Testing Center <http://www.sa.utah.edu/testing/>. Please be advised that you may need to provide a physician's note stating your condition.

Reading Schedule (tentative)

The length of the semester may prove insufficient for discussing in detail all the topics presented in the book. The main goal is to focus on chapters 3-13, and chapters 18-24.

WEEK 1	Introduction to Macroeconomics Chapters 1-2 The Goods Market Ch 3
WEEK 2	The Goods Market/Financial Markets Ch 3/4
WEEK 3	Financial Markets Ch 4 Financial Markets Ch 4/The IS-LM Model Ch 5
WEEK 4	The IS-LM Model Ch 5 The IS-LM Model Ch 5
WEEK 5	The Labor Market Ch 6 The AS-AD model Ch 7
WEEK 6	The AS-AD model Ch 7 The AS-AD model Ch 7
WEEK 7	The Natural rate of unemployment and the Philips curve Ch 8 The Natural rate of unemployment and the Philips curve Ch 8
WEEK 8	The Crisis Ch9 Review midterm exam
WEEK 9	<u>Midterm exam</u> Openness in goods and financial markets Ch 18
WEEK 10	The goods market in an open economy Ch 19 The goods market in an open economy Ch 19
WEEK 11	Output, the interest rate, and the exchange rate Ch 20 Output, the interest rate, and the exchange rate Ch 20
WEEK 12	Output, the interest rate, and the exchange rate Ch 20 Back to Policy Ch 22/23/24
WEEK 13	The facts of growth Ch 10 Saving, capital accumulation and output Ch 11
WEEK 14	Saving, capital accumulation and output Ch 11
WEEK 15	Technological progress and growth Ch 12
WEEK 16	Technological progress: the short, the medium, the long run Ch 13 <u>Wrap-up and Review for Final Exam</u>

To register for ECON4020:

1. Go to pearsonmylabandmastering.com.
2. Under Register, click **Student**.
3. Enter your instructor's course ID: [rada57476](#), and click **Continue**.
4. Sign in with an existing Pearson account or create an account:
 - If you have used a Pearson website (for example, MyITLab, Mastering, MyMathLab, or MyPsychLab), enter your Pearson username and password. Click **Sign In**.
 - If you do not have a Pearson account, click **Create**. Write down your new Pearson username and password to help you remember them.
5. Select an option to access your instructor's online course:
 - Use the access code that came with your textbook or that you purchased separately from the bookstore.
 - Buy access using a credit card or PayPal.
 - If available, get 17 days of temporary access. (Look for a link near the bottom of the page.)
6. Click **Go To Your Course** on the Confirmation page. Under MyLab / Mastering New Design on the left, click **ECON4020** to start your work.

Retaking or continuing a course?

If you are retaking this course or enrolling in another course with the same book, be sure to use your existing Pearson username and password. You will not need to pay again.

To sign in later:

1. Go to pearsonmylabandmastering.com.
2. Click **Sign In**.
3. Enter your Pearson account username and password. Click **Sign In**.
4. Under MyLab / Mastering New Design on the left, click **ECON4020** to start your work.

Additional Information

See **Students > Get Started** on the website for detailed instructions on registering with an access code, credit card, PayPal, or temporary access.