

ECON 4020 INTERMEDIATE MACROECONOMICS

Spring 2018

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Time: M & W; 01:25PM-02:45PM

Place: BU C; Room 105

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Office Number: (+1) 801-213-6921.

Office Hours: M; 10:00AM-12:00AM.

Graduate Teaching Assistant: Pedro Clavijo

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Course Pages:

- [Canvas](#)

Prerequisites: ECON 2010; ECON 2020; and College Algebra.

This course fulfils “Quantitative Intensive (QI)” General Education and Bachelor Degree Requirement. Students are also expected to be familiar with graphical analysis, basic linear algebra, and basic calculus. I will also use real world data and ask students to interpret macroeconomic time series.

Course Description and Objectives: Macroeconomics is the study of aggregate economic phenomena. It studies issues relating to unemployment, inflation, stabilization policies in closed and open economies, and the determinants of national output and price levels. This course will provide insights into these key macroeconomic issues, it will examine how to develop models to study the relationships between different aggregate economic variables, and it will discuss both the determinants and the effects of government economic (fiscal and monetary) policies.

At the completion of this course, students:

1. Are expected to have a solid knowledge of why and how economists (and policymakers) often disagree about the nature and mechanisms of business cycles and economic growth, and the appropriate policy responses.
2. Should be able to read, evaluate, and discuss cogently the relevant media accounts.

Learning Outcomes:

1. *Inquiry and Analysis:* Macroeconomics is a contentious discipline. There are competing theories of what causes unemployment, inflation, business cycles, and crises, and the appropriate remedies to these problems. This course will develop a series of analytical macroeconomic models to understand relationships between aggregate economic variables, investigate monetary and fiscal policy implications of alternative theoretical chains of causation, and examine empirical evidence for competing hypotheses.

2. *Critical Thinking:* The emphasis will be on how to set up macroeconomic models and to obtain logical conclusions from them. Students are expected to understand the underlying—and sometimes hidden—assumptions of the models and to learn how to distinguish between competing theories.
3. *Quantitative Literacy:* We will make extensive use of algebraic, numerical, and graphical tools in developing macroeconomic theories. In this sense, students will also develop quantitative skills that will allow them to understand graphical, logical and numerical relationships between macroeconomic variables.

Textbook Reference:

- Blanchard, Olivier. (2017). *Macroeconomics*. Boston: Pearson. 7th Edition.

We will follow the most recent edition (7th); however, the 6th edition can also be used.

Complimentary Readings:

- Snowden, Brain and Vane, Howard (2005). *Modern Macroeconomics. Its Origins, Development and Current State*. Cheltenham: Edward Elgar. 2nd Edition.
- Baumol, William and Blinder, Alan (2012). *Macroeconomics. Principles and Policy*. Mason: South-Western CENGAGE Learning. 12th Edition.

Course Requirements: The course will follow the main textbook closely. The lectures cover only the key points of each of the chapters, so it is important that you follow closely the reading assignments for each class.

Exams and Grading Policy: The course grade will be based on two exams: one in-class midterm exam and one in-class final exam; and four homework assignments: two before the mid-term exam and two before the final exam.

Homework Assignments (20%) + Midterm Exam (40%) + Final Exam (40%)

There will be no make-up exams and late assignments will not get credit except in the cases of: a) medical emergencies; b) officially sanctioned University activities; and c) religious obligations. As indicated in PPM 9-7 Sec 15, the appropriate unit should provide a written statement for the reason of absence. In cases b) and c), students should get in touch with me at least one week before the exam and reschedule the exam. Students will not be assigned extra credit work to improve their grades. Senior class students' work will not be graded differently.

Grading system follows the university standards:

- Excellent, superior performance: A (90-100%), A- (85-89.9%)
- Good performance: B+ (80-84.9%), B (75-79.9%), B- (70-74.9%)
- Standard performance: C+ (65-69.9%), C (60-64.4%), C- (55-59.9%)
- Substandard performance: D+ (50-54.9%), D (45-49.9%), D- (40-44.9%)
- Unsatisfactory performance: E (0-39.9%)

Important dates:

Martin Luther King Jr. Day holiday	Monday, January 15
Homework Assignment #1	Monday, January 29
Presidents Day holiday	Monday, February 19
Homework Assignment #2	Monday, February 26
NO CLASSES	Wednesday, February 28
Revision Session (Midterm Exam) #1	Wednesday, March 7
Midterm Exam	Wednesday, March 14
Spring Break	Sunday-Sunday, March 18-25
Homework Assignment #3	Monday, April 2
Homework Assignment #4	Monday, April 16
Revision Session (Final Exam) #2	Monday, April 23
Final Exam	Monday, April 30: 1:00PM-3:00PM

Class Rules:

1. I encourage student cooperation in homework assignments. However, each student must present his or her own assignment. Duplication of the same assignment under different names is not acceptable and is considered cheating. Cheating in homework assignments or exams and other types of academic misconduct will be dealt with in accordance with the University regulations. Full details on procedures and penalties can be found here: <http://regulations.utah.edu/academics/6-400.php#SECTION%20V>. Punishments can be severe, so don't do it.
2. Come to class in time.
3. Read the assigned material in advance and familiarize with the subject before the lecture.
4. I will use Canvas for announcements, homework assignments, posting extra readings, etc. However, Canvas is not a substitute to attending class. It is your responsibility to keep up with the class.
5. Turn off your cell phones and remove them from your desk.
6. Do not believe any of the economics you read in the textbook or elsewhere. Learn it well and critically.
7. Do not believe any of the economics I present in class. Learn it well and critically.

Students with Disabilities: The Department of Economics at the University of Utah, seeks to provide equal access to its programs, services and activities for people with disabilities. If you need accommodations in this class, reasonable prior notice needs to be given to the instructor and to the Center for Disability Services (162 A. Ray Olpin Student Union Building, 581-5020 (V/TDD)) to make arrangements for accommodations (see also <http://disability.utah.edu/>).

Reminder: As the only institution in the state classified in the highest research category (R1), at the University of Utah you will have access to state-of-the-art research facilities and be able to be part of the knowledge creation process. You will have the opportunity to do research of your own with faculty who are leading experts in their field, engaging in programs that match your research interests. Further, you will interact with and often take classes with graduate students that provide an advanced understanding of the knowledge in your field.

Course Outline: The time schedule is approximate. We may slow down or speed up in accordance with the needs and demands of the class.

- **Core Topics**

1. Introduction: Lecture 1; Chapter 2
2. The Short-run: Lectures 2-5; Chapters 3-6
 - The goods market
 - Financial markets
 - The *IS-LM* model
 - The extended *IS-LM* model
3. The Medium-run: Lectures 6-8; Chapters 7-9
 - The labor market
 - The Phillips curve
 - The *IS-LM-PC* model
4. The Long-run: Lectures 9-11; Chapters 10-12
 - The facts of growth
 - Saving, capital accumulation, and output
 - Technological progress and growth
5. The short-run and medium-run effects of technological progress: Lecture 12; Chapter 13

- **Extensions**

1. Expectations: Lectures 13-14; Chapters 15-16
 - Consumption and Investment
 - Output and economic policy
2. Open Economy Macroeconomics: Lectures 15-18; Chapters 17-20
 - Openness in goods and financial markets
 - The goods market in an open economy
 - The Mundell-Fleming model
 - Exchange rate regimes
3. Macroeconomic Policy Debates: Lectures 19-21; Chapters 21-23
 - The time inconsistency problem and the political business cycle
 - Fiscal policy
 - Monetary policy
4. Post-war Macroeconomics in Historical Perspective: Lecture 22; Chapter 24

CSBS EMERGENCY ACTION PLAN



BUILDING EVACUATION

EAP (Emergency Assembly Point) – When you receive a notification to evacuate the building either by campus text alert system or by building fire alarm, please follow your instructor in an orderly fashion to the EAP marked on the map below. Once everyone is at the EAP, you will receive further instructions from Emergency Management personnel. You can also look up the EAP for any building you may be in on campus at <http://emergencymanagement.utah.edu/eap>.



CAMPUS RESOURCES

U Heads Up App: There's an app for that. Download the app on your smartphone at alert.utah.edu/headsup to access the following resources:

- **Emergency Response Guide:** Provides instructions on how to handle any type of emergency, such as earthquake, utility failure, fire, active shooter, etc. Flip charts with this information are also available around campus.
- **See Something, Say Something:** Report unsafe or hazardous conditions on campus. If you see a life threatening or emergency situation, please call 911!

Safety Escorts: For students who are on campus at night or past business hours and would like an escort to your car, please call **801-585-2677**. You can call 24/7 and a security officer will be sent to walk with you or give you a ride to your desired on-campus location.