

Fall 2014
Econ 6620 - Macroeconomics for Masters

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 Office hours: TTh 10–11:15 and 2:00–3:30, or by appt.
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Course objectives:

The course will provide a rigorous introduction to the mainstream macroeconomic theory. It will offer insights into key macroeconomic issues concerning unemployment, inflation, and stabilization in a closed economy, and assess current controversies on output fluctuations and the effectiveness of monetary/fiscal policies. The course will pay special attention to integrating the banking system into the macroeconomic model and attempt to explain the sources and macroeconomic consequences of financial instability.

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 sources and mechanisms of business cycles, and the appropriate policy responses;
2. should be able to read, discuss, and evaluate cogently the relevant media accounts.

Books:

Wendy Carlin and David Soskice (CS), *Macroeconomics and the Financial System: Stability, Growth and the Role of Policy*, Oxford University Press (forthcoming).
 Brian Snowdon and Howard R. Vane (SV), *Modern Macroeconomics: Its Origins, Development and Current State*, Edward Elgar, 2005.

Canvas:

The syllabus, assignments, answers, economic data, grades (except final exam) and announcements will be posted on Canvas. It is the student's responsibility to check Canvas regularly. Also make sure that your mail is forwarded from Canvas to an address that you check frequently.

Course requirements:

Homework assignments	30%
Midterm Exam (Oct. 20, 75 minutes)	30%
Final exam (Dec. 16, 6:00–8:00 PM)	40%

Grades will be assigned on an absolute scale according to university requirements:

90% and above	A: excellent performance, superior achievement
80% and above	B: good performance
70% and above	C: sub-standard performance and achievement
69% and below	E: failure

Pluses and minuses will be assigned around the cutoff points.

Collusion and cheating:

Students are encouraged to cooperate with classmates in preparing for exams and solving assigned homework problems. But each student is required to turn in his/her own assignment. Cheating, plagiarism and other types of academic misconduct will be dealt with in accordance with the University regulations. For full details on procedures and penalties, see:

<http://www.admin.utah.edu/ppmanual/8/8-10.html#SECTION%20V>.

Students with disabilities:

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 Olpin Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.

Course Outline and the Readings

(Dates are approximate)

Additional readings may be assigned during the semester.

8/25-9/3	The standard classical and Keynesian models CS, Ch. 1. SV, pp. 36–69, 101–123.
9/15	The labor market and the Philips curve CS, Ch. 2. SV, pp. 174–187.
9/22	The 3-equation model and monetary policy CS, Ch. 3.
9/29	Expectations formation CS, Ch. 4.
10/6	The banking system CS, Ch. 5.
10/20-27	The macro-financial system and crisis CS, Chs. 6, 7.
11/3	Economic growth CS, Ch. 8. SV, Ch. 11.

11/10	Monetary policy CS, Ch. 13.
11/17	Fiscal policy CS, Ch. 14.
11/24	The labor market and unemployment CS, Ch. 15.
12/1-12/8	DSGE Models: Classical and “Keynesian” CS, Ch. 16 SV, Ch. 6.