Intermediate Macroeconomic Theory
Economics 3080-004

Professor Michael J. Greenwood
Office: ECON 106
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Fall 2001


COURSE OUTLINE

Part I: The Basics
1. Background on Concepts and Data: Chapters 1, 2.

Part II: Economic Growth
1. Long-Term Economic Growth: Chapters 4, 5.

Part III: Unemployment, Money, and Inflation

Part IV: Modeling the Economy
1. Trade and the Open Economy: Chapter 8.
2. Introduction to Economic Fluctuations: Chapter 9.
3. Aggregate Demand: Chapters 10, 11, 12.

Part V: Microeconomic Policy
1. Stabilization Policy and Budget Deficits: Chapters 14, 15.

Chapters 16, 17, 18, and 19 provide additional detail relating to the early chapters. We will draw on some material from these chapters, but we will not have sufficient time to cover these chapters in detail. As I work through the various chapters, you should work through the corresponding material in the Workbook. From time to time, I will give you homework assignments drawn from the text. These I will expect you to turn in for extra credit.

COMMENTS ABOUT THE COURSE

*Intermediate Microeconomic Theory* focuses on individual economic units, such as the consumer (or
demanders), the producer (or business firms, or suppliers), and how markets work. Although many policy implications flow from the material covered in this course, the course may easily be taught with little or no attention to policy. Intermediate Macroeconomic Theory is concerned with broad, economy-wide aggregates, such as the level of production, employment, unemployment, the general level of prices, and the distribution of income. Although the course may be taught with great emphasis on theoretical constructs, its core objective at this level of instruction is policy. That is, we want to consider theoretical constructs, or models, that yield policy implications. Moreover, we wish to place great emphasis on these policy implications, whether they be fiscal policies, monetary policies, or policies of other types. As I see it, we are concerned with understanding how policy makers can make society a better place for us to live and work. Thus, without neglecting theory, I plan to place great emphasis on policy with the goal of having you leave this course as a much better-informed citizen.

Although I will not do so extensively, I plan to use some calculus in this course. Moreover, in part because the material of this course, or at least its emphasis, has changed considerably over the years, which is not true of intermediate microeconomic theory, I will try to bring out the history of various concepts, beginning with Keynes, but in some instances even with Adam Smith.

I do not enforce attendance, but from over 37 years of teaching experience, I can say with some confidence that I have never met a student who could do well without attending class regularly. Please come to class. Although I will follow the text book more closely than is common with me, I expect to deviate from text at many points (but not contradict it).

**EXAMINATION SCHEDULE / GRADING POLICY**

Four major (hour) examinations will be given. Each exam will cover one-quarter of the course material. Each exam will count for 100 points. Your final grade will be based on 400 points. Homework assignments will constitute extra (bonus) credit. I expect each student to do the homework extra credit on his or her own. If you do not work through the homework assignments on your own, I place you on your honor either to withhold turning in the assignment or to indicate that you received assistance. No make-up exams will be given. Each examination will consist of three parts: (1) multiple choice; (2) short answers; and (3) diagrams and/or problems. The examination schedule is as follows:

Examination 1: September 21, 2001
Examination 2: October 19, 2001
Examination 3: November 16, 2001
Examination 4: December 18, 2001, 1:30-4:00 pm

Students with disabilities who may need academic accommodations should discuss options with their professors during the first two weeks of class.