

ECON 3080-003
Intermediate Macroeconomic Theory, Fall 2013

Instructor: Joseph Vavrus
Email: joseph.vavrus@colorado.edu (preferred contact method)
Office: ECON 309c (3rd floor of the Economics building)
Office Hours: Tues/Thurs 2:00-3:00 p.m. and by appointment.
Lecture: TuTh: 3:30-4:45, Aug 27-Dec 12, ECON 119
Website: <https://learn.colorado.edu/>

Course Overview

Macroeconomics is the study of the aggregate (macro) economy. The course is roughly divided into two parts. First, we will learn tools to analyze long-run patterns of economic growth, labor markets, and price changes. Next, we will deal with the short-run and discuss monetary policy, fiscal policy, and how they relate to current economic issues.

In general, we will be using many simple equations to build “toy models” of the economy. By playing with these, we can gain deeper intuition into the highly complex economic interactions that create real problems and benefits for people worldwide. Some of the most important national and international political issues concern the potential costs and benefits of economic policy (in)action. While these models don’t give easy, perfect answers, from them you will have a stronger understanding of the mechanisms and chains of causality that underlie these issues.

Prerequisites

1. ECON 1000 or ECON 2020 or equivalent from another institution
2. ECON 1078 and 1088, or MATH 1300, or MATH 1310, or MATH 1081, or MATH 1080, 1090 and 1100, or APPM 1350, or equivalent from another institution

The toy models we will be using require basic calculus and algebra. The math is not highly advanced, but it is a consistent part of the course. Additionally, much of this course applies the economic intuition you will have learned in your principles courses. If you have any concerns about your mathematic/economic preparation for this course, please come talk with me ASAP and we can discuss whether this class is right for you.

Readings:

Required text: Charles I. Jones (2011). Macroeconomics, W. W. Norton & Company, 2nd Edition.

You are welcome to use any other editions of this book; however you may need to come to office hours or consult a classmate with the 2nd edition to determine how the chapters line up. If I assign any problems directly from the textbook, I will reproduce them in full.

Optional: Robert L. Heilbroner. The Worldly Philosophers.

Any edition is fine. I will discuss this under policy project.

Additional: Some of the tools we use will occasionally feel a bit divorced from the real policy debates that are happening. One thing to reconnect you is to keep abreast of current economic news in the Financial Times, the Wall Street Journal, the Economist, etc. I highly recommend doing so; this will make the course much richer for you. (It is also

necessary to successfully do your project!) Additionally, I recommend Mark Thoma's blog <http://economistsview.typepad.com/>. Along with his own writings, Professor Thoma links to many blog posts and articles on debates both about macroeconomics and how macroeconomics should be practiced.

Grading Policies

Your final grade will be weighted as follows:

Midterm 1 20% **Thursday, October 3**

Midterm 2 20% **Thursday, November 7**

Final 25% **Wednesday, December 18, 1:30 p.m. – 4:00 p.m.**

Problem sets 15% **Due dates in lecture schedule**

Participation/Attendance 5%

Project 15% **Due July 3 at 5pm.**

A	92.00-100.00	C	72.00-77.99
A-	90.00-91.99	C-	70.00-71.99
B+	88.00-89.99	D+	68.00-69.99
B	82.00-87.99	D	62.00-67.99
B-	80.00-81.99	D-	60.00-61.99
C+	78.00-79.99	F	<59.99

Midterms and Final:

Together these count for the bulk of your grade. **I will not give makeup exams or early exams except for the exception listed below.** If you have a documented emergency that precludes you from taking an exam on the given date the other final will be weighted at 45%. **You will receive a 0 for any exams you miss without a documented excuse.** Cell phone calculators are not allowed under any circumstances for exams. Other calculators are fine and should be brought with you.

If you have three or more final exams scheduled on the same day, you are entitled to arrange an alternative exam time for the last exam or exams scheduled on that day. Also, if you have two final exams scheduled to meet at the same time you are entitled to arrange an alternative examination time for the later course. To qualify for rescheduling final exam times, you must provide evidence that you have three or more exams on the same day or two exams meeting at the same time, and arrangements must be made with your instructor no later than the end of the sixth week of the semester (Friday, October 4, 2013).

Lectures and participation:

Students benefit from attending class, therefore there will be a small participation grade to incentivize you to come. Every now and then I will take attendance (either through an in-class assignment or a written prompt of some kind) or call on students randomly to answer questions when there is a lull. You may miss a total of two lectures without any penalty, missing any more than that would require an excuse for having missed all three, four, etc.

A tentative lecture schedule is below. All exam dates and due dates are set. Topic dates and chapters are subject to change.

Date	Topic	To do
Topic 1 – Long-run growth		
Week of Aug 27	Intro and Math review	Jones 1 & 2
Week of Sep 3	Growth basics and production	Jones 3&4
Week of Sep 10	Production and Solow	Jones 4&5 PS 1 due Sep 13
Week of Sep 17	Solow and Romer	Jones 5&6
Week of Sep 24	Romer Model	Jones 6
Week of Oct 1	Review and Midterm	PS 2 due Oct. 1 Midterm 1 Oct. 3
Topic 2 – Transitioning from the long-run to the short-run		
Week of Oct 8	Labor markets and inflation	Jones 7&8, Project check-in Oct. 10
Week of Oct 15	The short-run model and IS curve	Jones Ch. 9 and 11
Week of Oct. 22	Phillips Curve/Monetary policy	Jones 12, PS3 due Oct. 24
Week of Oct. 29	AS/AD Model	Jones 13
Week of Nov. 5	Review and Midterm	PS 4 due Nov. 5 Midterm 2 Nov. 7
Topic 3 – Applications, policy extensions, and the open-economy		
Week of Nov. 12	Government and fiscal policy	Jones 17, previous chapters
Week of Nov. 19	The Great Recession	Jones 10 & 14, previous chapters
Week of Nov. 26	Open-economy chapters, extra topics etc, time permitting.	
Week of Dec. 3		
Week of Dec. 10	Final review/catch up	Policy project due Dec 12 by 6pm
FINALS WEEK	Final exam: Wed. Dec 18 1:30 p.m. – 4:00 p.m.	

Problem Sets:

There will be four problem sets assigned over the term. These will include questions similar in style and difficulty as what will be on the three tests. You may work in groups, but I want a separate assignment turned in by every student. On the date they are due, you must turn them in at the beginning of class. I do not accept late problem sets – especially

because I often post solutions immediately after they are turned in! These will be graded mostly on completion, but I will be sure to grade some of the most important parts/questions for accuracy.

Policy Project:

For this project I want you to think outside the text. First, find a newspaper article or blog post in the last couple of years (the more recent the better) on an economic policy issue that interests you. See the readings list for ideas of where to look. Next, I want you to choose an important economic thinker and relate his or her ideas to the economic policy issue. This should be about 2-5 pages single spaced. I included Heilbroner's *Worldly Philosophers* as an optional text to help with this project. You may choose one of the economists that he discusses or another subject to my approval. Nobel-prize winning economists are also good candidates. I will post more details on desire to learn. I need to approve your project by **October 10**. Your final project is due **July 3 by 5pm**. You will lose 5% of your total project points per day if you are late on either project deadline.

Desire To Learn:

All course materials including this syllabus, problem sets, project details, additional readings, etc. will be posted at <https://learn.colorado.edu/>

University Policies

Disability Policy –

If you qualify for accommodations because of a disability, please submit a letter from Disability Services to me in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and <http://www.Colorado.EDU/disabilityservices>

Religious Observance Policy –

Campus policy regarding religious observances requires that faculty make every effort reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments, or required attendance. If you have a conflict, please contact me at the beginning of the semester so we can make proper arrangements.

Code of Behavior Policy –

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to such behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat all students with understanding, dignity, and respect to guide classroom discussion and to set reasonable limits on the manner in which they and their students express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make the appropriate changes to my records.

Honor Code –

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty,

fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu: 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode>

Discrimination and Harassment Policy –

The University of Colorado at Boulder policy on Discrimination and Harassment (<http://www.colorado.edu/policies/discrimination.html>), the University of Colorado policy on Sexual Harassment, and the University of Colorado policy on Amorous Relationships applies to all students, staff, and faculty. Any student, staff, or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.