

Intermediate Macroeconomic Theory Economics 3080-004

Professor Michael J. Greenwood

Office: ECON 106

Office Hours: Tuesday and Thursday 3:30-5:00pm; Wednesday 3:00-4:00pm; and by appointment

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Text: N. Gregory Mankiw, *Macroeconomics*, Eighth Edition (Worth Publishers), 2013.

COURSE OUTLINE

Part I: The Basics

1. Background on Concepts and Data: Chapters 1, 2.
2. National Income Identities and the Demand for Goods and Services: Chapter 3.

Part II: Money, Inflation, and Unemployment

1. Money and the Monetary System: Chapter 4.
2. Inflation: Chapter 5.
3. The Open Economy: Chapter 6.
4. Unemployment: Chapter 7.

Part III: Economic Growth

1. Long-Term Economic Growth: Chapters 8, 9.

Part IV: Modeling the Economy

1. Introduction to Economic Fluctuations: Chapter 10.
2. Aggregate Demand: Chapters 11, 12, 13.
3. Aggregate Supply: Chapter 14.

Chapters 15, 16, 17, 18, 19, and 20, plus the Epilogue provide additional detail relating to the earlier chapters. We will draw some material from these chapters, but will not have sufficient time to cover them in detail.

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, micro theory 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 concepts, 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 help 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 the 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 and his predecessors.

GRADING POLICY

Four major (hour) examinations will be given. Each exam will cover one-fourth of the course material. Each exam will count for 100 points. Your final grade will be based on 400 points. Homework assignments will count for extra (bonus) credit. These assignments will be graded as if they were an examination. 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 to withhold turning in the assignment or to indicate that you received assistance. When you do these assignments, I urge you to explain your answers in detail. Use diagrams whenever they are appropriate.

EXAMINATION SCHEDULE

Examination 1: September 17

Examination 2: October 15

Examination 3: November 12

Examination 4: December 17, 4:30 to 7:00pm.

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.

Because I have never met a student who could do well in this course without attending class regularly, **I have an attendance requirement.** Every day I will either take the roll myself (early in the term) or pass around an attendance roster (later in the term). After three absences (beginning with absence four), 5 points will be deducted from the student's overall score for each absence. Ten points will be added for any student who misses no more than one class. Please come to class. (Please note: the three absences are meant for emergencies and/or illnesses. I do not accept "excused" absences, since such reasons should be covered by the three.)

Students with disabilities who may need academic accommodations should discuss options with their professors during the first two weeks of class. If any examination dates conflict with religious holidays, the student also must inform me during the first two weeks of class.

