

ECON 3080-004
Intermediate Macroeconomic Theory, Fall 2014

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Office: ECON 309c (3rd floor of the Economics building)
Office Hours: Tu 5:00-6:00 p.m., Th 2:00-3:00pm, and by appointment.
Lecture: TuTh: 3:30-4:45, Aug 25-Dec 12, MUEN E432
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.

Administrative deadlines:

Sept 10: Last day to drop without any grade penalty.

Oct 31: Last day to drop and receive a grade of “W” without any additional approvals. After this day, dropping requires a signature from the Dean, which isn’t given out without good reason. This is also the deadline to alert me that you have three or more final exams on the same day.

Wed. Dec 17 1:30 p.m. -4:00 p.m.: Final exam: This is set by the university and cannot be changed. By signing up for this class, you are saying “I am available on December 17 to take the final exam.”

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.

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 do article analyses) 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% **October 2**

Midterm 2 20% **November 6**

Final 25% **Wednesday, December 17, 1:30 p.m. – 4:00 p.m.**

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

Participation/Attendance 5%

Articles Analyses 15% **Due Dec 11 at 6pm.**

A	94.00-100.00	C	72.00-77.99
A-	90.00-93.99	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

Notice that it is slightly harder to get a straight A.

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 October 31.

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 25	Intro and Math review	Jones 1 & 2
Week of Sep 1	Growth basics and production	Jones 3&4 No class Sept. 1
Week of Sep 8	Production and Solow	Jones 4&5 PS 1 due Sep 11 Sept. 10 last day to withdraw without grade penalty
Week of Sep 15	Solow and Romer	Jones 5&6
Week of Sep 22	Romer Model	Jones 6
Week of Sept. 29	Review and Midterm	PS 2 due Sept 30 Midterm 1 Oct. 2
Topic 2 – Transitioning from the long-run to the short-run		
Week of Oct 6	Labor markets and inflation	Jones 7&8, Article analysis check-in Oct. 9
Week of Oct 13	The short-run model and IS curve	Jones Ch. 9 and 11
Week of Oct. 20	Phillips Curve/Monetary policy	Jones 12, PS3 due Oct. 23
Week of Oct. 27	AS/AD Model	Jones 13
Week of Nov. 3	Review and Midterm	PS 4 due Nov. 4 Midterm 2 Nov. 6
Topic 3 – Applications, policy extensions, and the open-economy		
Week of Nov. 10	Government and fiscal policy	Jones 17, previous chapters
Week of Nov. 17	The Great Recession	Jones 10 & 14, previous chapters
Week of Nov. 24	Fall break	

Week of Dec. 1	Open-economy chapters, extra topics etc, time permitting.	
Week of Dec. 7	Final review/catch up	Article analyses due Dec 11 by 6pm on D2L
FINAL WEEK	Final exam: Wed. Dec 17 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.

Article analyses:

There are **two** of these due during the semester. You may turn them in at any time, but the final due date is **December 11 by 6pm on the D2L dropbox**. You also must submit at least one article you plan on using by **October 9 at 6pm**.

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. I want you to do three things within 1-2 **single-spaced** pages.

- (1) Summarize the issue, emphasizing why it is newsworthy or interesting
- (2) Analyze the issue and relate it to the course. In particular, I want you to be thinking about the models, cause and effect relationships, and economic intuition that you have used over the semester when you discuss it. This can include your (informed) opinions.

General guideline: be precise about a topic rather than exhaustively discussing every aspect in general terms when engaging in analysis.

Both articles can be related, but different enough to do two separate analyses.

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>.