

# **ECON 3080-005**

## **Intermediate Macroeconomic Theory**

**Fall 2015**

**Instructor:** Nan Xu

**Class Meetings:** MWF 12:00 p.m. - 12:50 p.m.

**Location:** HLMS 141

**Email:** nan.xu@colorado.edu

**Office:** ECON 304

**Office Hours:** F 12:50 p.m. - 2:50 p.m.

**Course Website:** <http://learn.colorado.edu> (Desire to Learn)

### **Course Description**

Macroeconomics examines aggregate economic activities. The principle level course in macroeconomics provides an introduction to classic macroeconomic issues such as GDP, unemployment, inflation and financial crisis. This intermediate level course is designed to expose students more formally to macroeconomic theories. The purpose of this course is to provide a framework for understanding macroeconomic performance over time. We will explore the determinants of long run growth and business fluctuations by building a set of models and analyze the impacts of monetary and fiscal policies on aggregate economic outcomes. The topics covered in this course include economic growth, employment, inflation, business cycle, stabilization policy, etc.

### **Prerequisites**

1.Economics prerequisites: ECON 1000 or 2020

2.Mathematics prerequisites: ECON 1078 and 1088, or MATH 1300, or MATH 1310, or MATH 1081,or MATH 1080,1090, and 1100, or APPM 1350, or equivalent.

### **Required Textbook**

Charles I. Jones (2014). Macroeconomics (3rd Edition), W. W. Norton & Company.<sup>1</sup>

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<sup>1</sup>See <http://www.stanford.edu/~chadj/macrobk.html> for details.

## Grading

Your course grade will be calculated as follows:

*Midterm1 : 20% – Wednesday, October 7th, regular class time*

*Midterm2 : 20% – Wednesday, November 18th, regular class time*

*Final : 30% – Tuesday, December 15th.*

*ProblemSets : 10%*

*In – classAssignments : 20%*

Due to FERPA, we cannot discuss grades via email. If you have any questions about your grade, please come to see me during my office hours.

## Exams

All the exams will be held in the same classroom (HLMS 141). No make-up or early tests will be given. There is no excuse for missing the midterms unless there is a documented medical or family emergency or school related activities for which your attendance is mandatory. A signed letter of notification from a coach or the athletic department is required. In this case, the weight of the missed midterm will be transferred to the final. In all other cases, failure to take the midterm will result in a zero for that test.

I will hold a review session before each test in order to give a broad study guide. The final is cumulative and cannot be missed. Graphing calculators and cell phone calculators are not allowed under any circumstance during exams.

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 scheduled on that day. To qualify for rescheduling final exam times, you must provide evidence that you have three or more exams on the same day, and arrangements must be made with your instructor no later than the 10th week of the semester.

## Problem Sets

I will assign 3-4 problem sets throughout the semester. The questions on problem sets are designed to help you understand the material covered in lecture, and they are valuable resources for test review. Enough practice is necessary to succeed in this course. Please complete them carefully and turn them in on time. Problem sets will be graded for credit and late problem sets will not be accepted.

You are encouraged to work on problem sets in small groups (no more than 3 people). But each of you must turn in your own work for each assignment. If you work with others, please put the names of you partners on your assignment. It is reasonable for group members to show similar logic in problem sets, but submitting almost-identical problem sets is not allowed.

## In-class Assignments

There will be about 10 in-class assignments. They would be either multiple choices or short answers. To complete the assignments, you are allowed to use textbook and notes as reference

and also talk to your neighbor (a group of 2). The dates of in-class assignments are chosen randomly, and there is no make up for missed ones. Two lowest scores will be dropped.

## Other class policies

The course materials will be posted on the course website (D2L), including problem sets, handouts, and solutions to tests and in-class assignments. But I will not give out my lecture notes. If you have to miss a class, please ask a classmate for the notes to catch up and come to my office hours if necessary. In addition, no laptops are allowed in this course. Economic analysis involves a lot of graphing and mathematical derivations, so what you need to bring to class are just pens or pencils as well as paper.

## Course Outline

| Topic                      | Chapter              |
|----------------------------|----------------------|
| Introduction               | 1,2                  |
| An Overview of LR Growth   | 3                    |
| Production Model           | 4                    |
| Solow Growth Model         | 5                    |
| Romer Growth Model         | 6                    |
| Labor Market               | 7                    |
| Inflation                  | 8                    |
| Introduction to SR         | 9                    |
| The IS Curve               | 11                   |
| Monetary Policy and the PC | 12                   |
| The AS/AD Framework        | 13                   |
| Great Recession            | 10,14                |
| Consumption                | 16                   |
| Investment                 | 17 (if time permits) |
| International Trade        | 19 (if time permits) |
| DSGE Models                | 15 (if time permits) |

## Additional Notes

### Students with Disabilities

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Center for Community N200, and <http://www.Colorado.EDU/disabilityservices>.

If you have a temporary medical condition or injury, see guidelines at <http://www.colorado.edu/disabilityservices/go.cgi?select=temporary.html>.

Disability Services' letters for students with disabilities indicate legally mandated reasonable accommodations. The syllabus statements and answers to Frequently Asked Questions can be found at <http://www.colorado.edu/disabilityservices>.

### **Religious Observance Policy**

Campus policy regarding religious observances requires that faculty make every effort to 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 term so we can make proper arrangements.

### **Classroom 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 has 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 appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at <http://www.colorado.edu/studentaffairs/judicialaffairs/code.html.student>

### **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](mailto: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 [honorcode.colorado.edu](http://honorcode.colorado.edu) or <http://www.colorado.edu/policies/honor.html>.

### **Discrimination & Harassment Policy**

The University of Colorado at Boulder Discrimination and Harassment Policy and Procedures, the University of Colorado Sexual Harassment Policy and Procedures, and the University of Colorado Conflict of Interest in Cases of Amorous Relationships Policy apply to all students, staff, and faculty. Any student, staff, or faculty member who believes s/he has been the subject of sexual harassment or discrimination or harassment based upon race,

color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127, or the Office of Student Conduct (OSC) at 303-492-5550. Information about the ODH, the above referenced policies, and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.