

ECON 3080-006
Intermediate Macroeconomic Theory
Spring 2016
Syllabus

Lecture: TuTh 3:30 pm - 4:45 pm, HLMS 267

Instructor: Javier Andres Santiago

Office: ECON 307

Office Hours: Wednesdays 8:00 am - 10:00 am

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Course Website

Accessed through D2L (learn.colorado.edu). Check it regularly for handouts, practice questions, grades, etc.

Course Description

Macroeconomics studies the determination of aggregate economic activity in a country or region. Topics such as long-run economic growth, short-run fluctuations, unemployment, or inflation, are at the core of the macroeconomics field.

During this semester we will study those topics, already introduced in your Principles course, from a mathematical perspective, but paying close attention to economic intuitions. We will start by exploring theories of long-run economic activity, including economic growth, the labor market, and the determination of prices. The second part of the course will be devoted to the study of short-run issues. In particular, we will examine how and why the level of economic activity can fluctuate around its long-run trend, and what policy options are available to stabilize the economy. Finally, in the third and last part of the course, we will look at the microfoundations of the macro models developed in the first two parts, as well as some issues concerning the determination of economic activity for open economies (trade deficits, exchange rates, etc.).

This course will serve as a bridge between your Principles classes and more advanced macroeconomics courses such as Economic Growth or International Finance, to name a couple of examples. It will also allow you to intelligently think about and discuss macroeconomic and policy issues like the Great Recession that began in 2008 (still on in some countries) and how governments and central banks can act to stabilize the economy, or why some countries are rich while others are poor (perhaps the most important issue studied by economists).

Prerequisites

- Economics prerequisites: ECON 1000 or 2020.
- Mathematics prerequisites: ECON 1078 and 1088, or MATH 1300 or MATH 1310 or MATH 1081 or MATH 1080 and 1090 and 1100 or APPM 1350, or equivalent.

The department enforces prerequisites. Students without appropriate prerequisites may be administratively dropped. If you have any concerns about your math/economic preparation for this course, please come and talk to me ASAP and we can discuss whether this class is right for you.

Textbook

Required: Charles I. Jones (2014). Macroeconomics, W. W. Norton & Company, 3rd Edition.

If you already have the 2nd edition, it is fine with me if you decide to use that one. However, the course will be based on the 3rd edition, so you might want to check with one of your classmates or with me in office hours to see how the chapters line up.

Lectures

During lectures we will study the theoretical models macroeconomists design to explain real-world facts as well as the empirical evidence that is used to test whether the models are good or not. I will make use of the blackboard to develop the theoretical models and give you examples of how to use them. For the empirical evidence, I will point to the relevant graphs and tables in the textbook.

Attendance will be mandatory for the first three classes. Students may be administratively dropped for non-attendance of the first three classes. From the fourth lecture on, I will not take attendance. However, it is highly recommended that you attend lectures, since I will not post or distribute my class notes. If you miss some lectures, it is your responsibility to contact a classmate to get the notes corresponding to the missed lecture(s).

Practice Questions

While this is a theory course, understanding all the models we will discuss this semester requires a lot of practice. That's why I will regularly post practice questions that will enhance that understanding and will also get you accustomed to the kind of questions I will ask in the exams. Note that these practice sets are not homework assignments that you have to turn in for a grade (see the next subsection for the grading criteria). But the more you work on them, the easier it will be for you to do well in this course. Note also that I will solve those practice questions in class, but I will not distribute answer keys.

Grading

Your final grade will be based on 2 midterm examinations and a final examination. Your numerical (0-100) grade will be the result of applying the following weights:

Assignment	Weight	Date
Midterm 1	30%	Thursday, February 25 (class time)
Midterm 2	30%	Thursday, April 7 (class time)
Final exam	40%	Thursday, May 5, 1:30-4:00 pm

Your numerical final grade will be translated into a letter grade according to the following schedule (with the numerical final grade denoted by x):

Numerical grade	Letter grade	Numerical grade	Letter grade
$94 \leq x \leq 100$	A	$73 \leq x < 77$	C
$90 \leq x < 94$	A-	$70 \leq x < 73$	C-
$87 \leq x < 90$	B+	$67 \leq x < 70$	D+
$83 \leq x < 87$	B	$63 \leq x < 67$	D
$80 \leq x < 83$	B-	$60 \leq x < 63$	D-
$77 \leq x < 80$	C+	$x < 60$	F

Example: suppose that you get the following grades in the exams: Midterm 1 (72), Midterm 2 (85), Final Exam (82). Then, your numerical final grade would be calculated as follows:

$$0.3 \times 72 + 0.3 \times 85 + 0.4 \times 82 = 79.9$$

So, your numerical final grade would be 79.9 in this case. According to the table above, this would correspond to a letter grade of C+. Note: I don't care how close 79.9 is to 80. If your exam grades happen to yield a numerical final grade of 79.9 like in the example, that is your numerical final grade.

Exam policies

All exams (midterms and final) will take place in our classroom (HLMS 267). Please do not be late for any of those. Being late can be distracting for your classmates and you will have less time to complete the corresponding exam.

I will not give any early or make-up exams. In the case that you have to miss any of the midterms because of a family or medical emergency, and only if you provide documentation to justify that

absence, the weight for the corresponding midterm will be added to the final exam. In all other cases, a missed exam will result in a grade of zero for that exam.

The final exam cannot be missed under any circumstances. By enrolling in this section (ECON 3080-006) you accept the final exam date set by the University for classes that meet Tuesdays and Thursdays starting at 3:30pm (Thursday, May 5, 1:30-4:00 pm). However, University policy provides students with three or more exams on the same day the right to reschedule exams following the first two. Also, when students have two final exams scheduled to meet at the same time, they are entitled to arrange an alternative examination time for the later course offered that day or week. To qualify for rescheduling final exam times, you must provide evidence that you have three or more exams on the same day, or that you have two exams at the same time, and arrangements must be made with me by the deadline to drop a course without dean and instructor's permission in the tenth week of the semester. I will ask for a printed copy of your schedule to verify the conflict.

During all the exams (midterms and final), the use of calculators will be unnecessary, so do not bring one. If I ask for any calculations, these will be easy enough. The only thing you will need for exams will be something to write (pen or pencil). I will provide paper.

Cheating in any of the exams is unacceptable. Any cheating instances will result in a grade of zero and a report to the Honor Code Council.

Other class policies

Email

If you have any questions about the material, send me an email. Sometimes it will be more effective to discuss those questions in office hours. If that is the case, I will ask you to come to my office. I will try to respond all emails within 24 hours.

If you have any administrative issues covered in the syllabus, please check it before asking me. If after checking the syllabus you still have any questions, come directly to my office during office hours. I will not answer administrative questions over the email.

Due to Federal regulations, we are not allowed to discuss grades over the email. If you have any questions about grades, check first the syllabus for grading policies. If after checking the syllabus there are any remaining questions, come to my office during office hours.

Office hours

At the top of this syllabus you can find when and where my office hours take place. If you cannot make it at any of those times, send me an email and we can set up an appointment outside those hours. To

make things more efficient, send me a list of the times you can meet at for the corresponding week and I will do my best to set up an appointment at any of those.

Laptops/electronic devices

Laptops or other electronic devices are not allowed in class. The only things you need to bring to lectures are something to write (pen, pencil) and paper.

Tentative schedule

Week	Topic	Chapter(s)
1	Introduction and Math Review	1-3
2	Production and Growth	3-4
3	The Solow Model	5
4	The Romer Model	6
5	Labor	7
6	Inflation	8
7	MIDTERM 1 - Thursday Feb. 25 during class time	1-8
8	Intro to the Short Run	9
	The IS Curve	11
9	The IS Curve	11
	Monetary Policy and the Phillips Curve	12
10	Monetary Policy and the Phillips Curve	12
	Stabilization and the AS/AD Model	13
11	SPRING BREAK - NO CLASSES	
12	The Great Recession	10, 14
13	MIDTERM 2 - Thursday Apr. 7 during class time	9-14
14	Consumption	16
	Investment	17
15	Government	18
	Open Economies	19-20
16	Open Economies	19-20
17	FINAL EXAM (Thursday May 5, 1:30-4:00 pm)	ALL

Note that the midterms are not cumulative, but the final exam is. As indicated in the table above, Midterm 1 will test you on chapters 1-8, while Midterm 2 will test you on chapters 9-14. The final exam will test you on all chapters covered during the semester.

University policies

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; 303-735-2273). 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

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>.

Classroom Behavior Policy

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veteran's status, sexual orientation, gender, gender identity, and gender expression, age, disability, 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 code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student%20code).

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 deal reasonably and fairly 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 that we can make proper arrangements. See full details at <http://www.colorado.edu/policies/facrelig.html>.