ECON 3080-100

Intermediate Macroeconomic Theory, Summer Term A, 2013

Instructor: Joseph Vavrus

Email: joseph.vavrus@colorado.edu (preferred contact method)

Office: ECON 12a (Basement of the Economics building)

Office Hours: Tues, Wed, Thurs 1:00-2:15 p.m. and by appointment.

Lecture: MTWThF: 2:30-4:05, June 3-July 5, 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. 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, June 14th**
Midterm 2 20% **Wednesday, June 26th**
Midterm 3 20% **Friday, July 5th**
Homework 15% **Due dates in lecture schedule**
Participation/Attendance 10%
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:
Together these count for the bulk of your grade**. I will not give makeup exams or early exams.** If you have a documented emergency that precludes you from taking an exam on the given date the other two exams will be weighted at 30% each. **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.

Lectures:

This course is an entire semester crammed into one month. As such, missing class will put you at a significant disadvantage. I won't count every day, but I will usually give out in-class worksheets and/or take attendance in some form. If you attend, are not disruptive, and do the required in-class work you will receive full credit for that day's class. I will excuse three absences free-of-charge. That is already too much class to miss! As such, do not abuse these absences: if you want to be excused from four classes I will need documentation for all of them. To be clear, if you miss class two days because you are hung over and later need to miss two more because of a legitimate medical emergency, you will still lose credit for one day.

All exam dates and due dates set. Topic dates subject to change.

Date	**Topic**	**To do**
Week 1		
Monday, June 3	Intro and Math review	Jones 1 & 2
Tuesday, June 4	Growth basics	Jones 3

Wednesday, June 5	Production and Modeling	Jones 4
Thursday, June 6	Production and Modeling	Jones 4
Friday, June 7	Solow Model	Jones 5, PS1 due
Week 2		
Monday, June 10	Solow Model	Jones 5
Tuesday, June 11	Romer Model	Jones 6
Wednesday, June 12	Romer Model	Jones 6, PS2 due
Thursday, June 13	Midterm 1 (Growth and production)	
Friday, June 14	Labor markets	Jones 7
Week 3		
Monday, June 17	Inflation	Jones 8, Project check-in
Tuesday, June 18	Short-run	Jones 9
Wednesday, June 19	IS Curve	Jones 12
Thursday, June 20	Phillips Curve/Monetary policy	Jones 13, PS3 due
Friday, June 21	Phillips Curve/Monetary policy	Jones 13
Week 4		
Monday, June 24	AS-AD Model	Jones 14
Tuesday, June 25	AS-AD Model	Jones 14, PS4 due
Wednesday, June 26	Midterm 2 (Policy tools)	
Thursday, June 27	Government	Jones 17
Friday, June 28	The Great Recession	Jones 10 & 14
Week 5		
Monday, July 1	The Great Recession	Jones 10 & 14
Tuesday, July 2	Open Economy Macro	Jones 19
Wednesday, July 3	Open Economy Macro	Jones 19, Final projects due
Thursday, July 4	No class (4^{th} of July)	
Friday, July 5	Midterm 3 (Applications)	

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.

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. I will post more details on desire to learn. I need to approve your project by **June 17.** 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.