

ECON 3080-003 INTERMEDIATE MACROECONOMIC THEORY

Fall 2019

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“Macroeconomics is the analysis of the economy as a whole, an examination of overall supply and demand. At the broadest level, macroeconomists want to understand why some countries grow faster than others and which government policies can help growth.”

1 Course Description

Macroeconomics is the study of the aggregate economy. We will explore the determinants of long term trends, short term fluctuations (business cycles), and the roles that consumers, firms, and governments play in the economy. Over the course of the semester we will cover long run growth, aggregate demand and supply, unemployment and wages, inflation, monetary and fiscal policy, as well as applying the tools of analysis to the latest recession. In addition, we will look at the microeconomic underpinnings of portions of the theory. In the end you will have the technical tools and knowledge necessary to intelligently read about and discuss current and past macroeconomic events.

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

2 Course Information

Course Websites: <https://canvas.colorado.edu/>

The course syllabus, handouts, supplementary materials, and homework assignments will be posted on Canvas. Please check the course webpage frequently as I will be updating it with materials and assignments. You are responsible for checking the canvas webpage regularly to avoid missing any assignments or announcements.

Required Textbook: Charles I. Jones, *Macroeconomics*, 2017 (4th edition), W.W. Norton.

Recommended: I highly recommend you read a reputable news source daily. The Wall Street Journal, New York Times, Financial Times, Foreign Policy and The Economist are all good sources. If you don’t want a paid subscription, you can create your own RSS feed from a number of free websites (ex. Project Syndicate, Brookings). Keeping up with economics, business and political news (both domestic and international) is an excellent way to apply what you learn to the “real” world. It will help you understand

the course material better, and you will make better sense of the world around you. An ability to read articles and glean economic intuition and information will also be necessary for homework assignments and readings.

Prerequisites:

- ECON 1000 or ECON 2020 or equivalent from another institution
- 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

3 Course Policies

General policies

- *No makeup homework assignments or exams will be given.*
- It is the student's responsibility to inform me of any accommodations two weeks before an exam.
- Please allow 24 hours for me to respond to emails. I will not discuss grades over email per FERPA guidelines.
- You will only be allowed the use of a basic statistical calculator during an exam (graphing calculators and laptops are not allowed on exams).

3.1 Lectures

In some cases lecture will extend beyond the content of the textbook, so it is strongly encouraged you attend lecture. My lecture notes will not be available, so if you do miss a class you should plan on getting notes from a classmate. Lectures are intended to cover material from the book and connect the concepts to real world examples, providing additional in class practice when appropriate.

Grades

- **Distribution:** Below is the weight given to each of the components in this class:

Midterm 1	20%
Midterm 2	20%
Final Exam	30%
Problem Sets	20%
Clicker Questions	10%

- **Reporting:** Grades will be uploaded to Canvas as assignments are graded.
- **Curving:** Midterms *may* be curved individually, and a curve *may* be applied to the overall course grade to conform to departmental standards. I will automatically increase final course grades that are 0.5% below any grade cutoff after any final grading curve has been applied.

- **Letter Grade Cutoffs:** Below is the letter grade you will receive for the final score given in the class:

≥ 93	A	87-89.9	B+	77-79.9	C+	67-69.9	D+	≤ 59.9	F
90-92.9	A-	83-86.9	B	73-76.9	C	63-66.9	D		
		80-82.9	B-	70-72.9	C-	60-62.9	D-		

- **Grade Adjustments:** Other than the 0.5% bump discussed above, *I will not grant any request to increase your grade to meet a certain cutoff.* You will receive the grade that *you* earned throughout the course. If you are concerned about your grade(s) you should immediately come talk to me. I will do everything I can to help you be successful in this course.

Problem Sets

Problem Sets are worth 20% of your overall grade. They will focus on the core mathematical principles of macroeconomic analysis and some real-world examples. We will have 5-6 Problem Sets throughout the semester.

Exams

- **Midterm Exams:** The midterm exams are not cumulative. I do not give makeup exams nor do I give exams early/late. No cell phones or graphing calculators are permitted for the exams. Please bring a basic calculator or be prepared to do calculations with pen and paper.
- **Final Exam:** The final exam is cumulative. The final exam date and location is on myCUinfo. 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 the late drop deadline.

Cheating

If you are caught cheating in any fashion (on exams or homework) you will be given an *F* for the semester and your case will be reported to the Honor Code Council for review.

4 Tips for Success

Things that I think generally help you do well in my class:

- Skim the book chapter after class. Recall the concepts which seemed difficult prior to class, those that are still difficult, and those that seem easy.
- Do the homework as we cover the material in class. Do not wait until the day/day before it is due. If you work as we go, the homework will naturally build from lecture materials, and won't take as long as if you wait to tackle it at midnight.

- Use office hours effectively. This means coming prepared with specific questions either from lecture, homework or other sources.
- Use the economics tutoring lab, and/or hire a private tutor.
- Come to class. This seems like a no-brainer, but it always amazes me how many students skip every lecture, only to be lost come exam time.
- Don't be afraid to ask questions, or to ask for help!
- Finally, don't cheat. If you don't know the material, own up to it, and take the grade you earn.

5 University Policies

- **DISABILITY POLICY:** I am committed to providing everyone the support and services needed to participate in this course. If you qualify for accommodations because of a disability, please submit to your instructor a letter from Disability Services in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact Disability Services at 303-492-8671 or by e-mail at dsinfo@colorado.edu.
- **HONOR CODE:** 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. Incidents of academic misconduct will 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 myself and non-academic sanctions (including but not limited to university probation, suspension, or expulsion).
- **RELIGIOUS OBSERVATION 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 make arrangements with me no later than the first week of the semester.
- **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 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 we express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences or race, culture, religion, politics, sexual orientation, gender variance and nationalities.
- **DISCRIMINATION AND HARASSMENT POLICY:** CU Boulder's policy on Discrimination and Harassment can be found on the university website. The policy on Sexual Harassment and 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 discrimination and harassment resources can be obtained at <http://www.colorado.edu/odh>.

6 Tentative Schedule

The following is a *tentative* schedule for each week. I like to keep my options: there is a good chance these weeks will bleed into each other. The readings are from *Macroeconomics*, by Charles I Jones (4th edition).

Week	Date	Content
1	Aug 26	<ul style="list-style-type: none"> • Chapters: 1, 2, and 3: An Overview of Macroeconomics
2	Sep 2	<ul style="list-style-type: none"> • Chapter 4: Production and Growth • Labor Day: No class Monday
3	Sep 9	<ul style="list-style-type: none"> • Chapter 5: The Solow Model
4	Sep 16	<ul style="list-style-type: none"> • Chapter 6: The Romer Model
5	Sep 23	<ul style="list-style-type: none"> • Chapter 7: Labor
6	Sep 30	<ul style="list-style-type: none"> • Chapter 8: Inflation
7	Oct 7	<ul style="list-style-type: none"> • Chapter 9, 11: The Short Run, The IS Curve • Monday - Midterm 1
8	Oct 14	<ul style="list-style-type: none"> • Chapter 12: Monetary Policy and The Phillips Curve
9	Oct 21	<ul style="list-style-type: none"> • Chapter 13: The AS/AD Model
10	Oct 28	<ul style="list-style-type: none"> • Chapter 10: The Great Recession (Pt. 1)
11	Nov 4	<ul style="list-style-type: none"> • Chapter 14: The Great Recession (Pt. 2)
12	Nov 11	<ul style="list-style-type: none"> • Chapter 16: Consumption • Monday - Midterm 2
13	Nov 18	<ul style="list-style-type: none"> • Chapter 17: Investment
14	Nov 25	<ul style="list-style-type: none"> • Fall Break No Class
15	Dec 2	<ul style="list-style-type: none"> • Chapter 18, 19: Government and Trade
16	Dec 9	<ul style="list-style-type: none"> • Chapter 20: International Finance • No class Friday (Reading Day)
17	Dec 16	<ul style="list-style-type: none"> • Finals Week • Final Exam: TBD