

ECON 3080-008 INTERMEDIATE MACROECONOMIC THEORY
FALL 2006

TR, 3:30 PM - 4:45 PM, HLMS 211

Instructor: Ufuk Devrim Demirel
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Office Hours: Tuesday and Thursday 2:00 PM - 3:30 PM and by appointment.

Text:

The textbook is Robert J. Barro, *Macroeconomics* (5th Edition). The textbook should be considered as supplementary to the lectures. This makes attendance particularly important. In addition to the main textbook, additional readings will be assigned during the semester.

Course Description:

We will develop an understanding of macroeconomic concepts and issues such as inflation, economic growth, unemployment, business cycles and macroeconomic policy. The main goal of this course is to develop a theory to interpret and understand these concepts and their interplay as the aggregation of individual household and firm behavior and to present the analytical tools used in the study of these issues. We will place an emphasis on the understanding of the microeconomic foundations of macroeconomic variables and their interactions. This course does not require substantial mathematical knowledge/background, only familiarity with BASIC calculus and algebra concepts is assumed.

It is important to come to the class prepared, at least with a basic idea about the topics to be covered and review the covered topics right after the class. You may also find it helpful to form study groups and collaborate with your classmates.

Grading Policy and Exam Dates:

There will be two midterms, three assignments and a final exam. Each midterm will count 25%, each assignment will count 5% and final exam will be worth 35% of the final grade. First midterm will be held on October 5th and the second will be on November 14th. The final examination date is to be announced. In addition to the graded problem sets, some non-graded

practice problem sets will also be assigned. Problem sets will provide a good preparation for the midterms and the final. Attendance is not mandatory but is strongly recommended. No make-up exams will be provided.

Tentative Course Schedule:

Date	Topic
August 28 - Sept. 1	Basics: The Approach to Macroeconomics Chapters 1,2
Sept. 4-8	Micro Foundations: Household Behavior Chapter 3
Sept. 11-15	Micro Foundations: Money Demand, Market Clearing Chapter 4,5
Sept. 18-22	Labor Market, Introduction to Inflation and Interest Rates Chapter 6,7
Sept. 25-29	Money, Inflation and Interest Rates in the Market Clearing Model Chapters 8
Oct. 2-6	Investment and Real Business Cycles Chapter 9 / Midterm 1
Oct. 9-13	Unemployment and Economic Growth Chapters 10,11
Oct. 16-20	Government Behavior: Consumption and Public Services Chapter 12
Oct. 23-27	Government Behavior: Taxes and Transfers Public Debt Chapters 13,14
Oct. 30 – Nov. 3	The International Economy: World Markets in Goods and Credits Chapter 15
Nov. 6-10	The International Economy: Exchange Rates Chapter 16
Nov. 13-17	Financial Intermediation Chapter 17 / Midterm 2
Nov. 20-24	Fall Break / Thanksgiving
Nov. 27 - Dec. 1	Nominal Rigidities: The Interplay Between Nominal and Real Variables Chapter 18
Dec. 4-8	Money and Business Fluctuations Chapter 19
Dec. 11-15	Keynesian Theory of Business Fluctuations Chapter 20

Honor Code and Academic Integrity:

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>.

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 may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and www.Colorado.EDU/disabilityservices.