

# **ECON 3080-004 Intermediate Macroeconomic Theory**

## **Spring 2011**

### **Course Information**

Instructor: Yibei Liu

Time: MWF 1:00-1:50PM; January 10<sup>th</sup>– May 5<sup>th</sup>, 2011

Location: HUMN 135

Email: [yibei.liu@colorado.edu](mailto:yibei.liu@colorado.edu)

Office: ECON 206

Office hours: Monday and Wednesday 2:00-3:00pm, and by appointment.

Course Website: <https://culearn.colorado.edu/>

### **Course Description and Objectives**

This course provides a comprehensive framework for analyzing how the economy actually works in an aggregate level. It investigates the effects of aggregate economic decisions made by consumers and firms. In this course we will discuss issues including economic growth, employment, prices, business fluctuations, macroeconomic policies, 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.

### **Textbook**

#### ***Required Textbook:***

Charles I. Jones (2009). *Macroeconomics: Economic Crisis Update*, W. W. Norton & Company

For additional readings, either the full text or the weblinks will be posted on the course website.

### **Course Structure**

The course will consist of lectures, readings, discussions, assignments and exams. The material covered will be necessary to succeed in this course. Thus, *attendance at all class meetings is strongly encouraged.*

It is important that you read the text book chapters along with attending lectures, as well as take lecture notes. I will not give out or post my notes online. Thus, if you have to miss a class, you should be able to obtain a copy from your classmates.

## Grading

### *General Grading Structure:*

Midterm 1: 20%  
Midterm 2: 20%  
Problem Sets: 20%  
Article Analyses: 15%  
Final Exam: 25%

Due to FERPA, we cannot discuss grades over email. Thus, if you have any question about your grade, please see me during my office hours.

### *Final Grades:*

|               |    |                |    |
|---------------|----|----------------|----|
| 100 -93%      | A  | 77.99 -73.00%  | C  |
| 92.99 -90.00% | A- | 72.99 -70.00%  | C- |
| 89.99 -88.00% | B+ | 69.99 -68.00%  | D+ |
| 87.99 -83.00% | B  | 67.99 -63.00%  | D  |
| 82.99 -80.00% | B- | 62.99 – 60.00% | D- |
| 79.99 -78.00% | C+ | 59.99 -0.00%   | F  |

### *Exams*

There will be no make-up for the exams. If you have to miss a midterm exam, you need to discuss with me *in advance*. If you miss a midterm because of an emergency, you need to provide documentation of the emergency; and in this case, the weight of the missed midterm will be transferred to the final exam. No more than one midterm may be missed. I will give you a list of topics before a midterm that will be covered in the test. Generally, the final exam cannot be dropped and it is *cumulative*. Anything covered in class may be tested in the final.

After midterm 2 and before the final exam, your course performance measured according to the structure below will be calculated:

Midterm 1: 30%  
Midterm 2: 30%  
Problem Sets: 25%  
Article Analyses: 15%

According to this measurement, students who are ranked *top 5* of the class will have the choice of not taking the final exam. And if choosing not taking the final, the course grades of the students will be determined by the grading structure discussed above without final exam. And if choosing taking the final, your final grade will be determined by the *general grading structure*.

Graphing calculators and cell phone calculators are NOT allowed under any circumstance.

According to the University policy<sup>1</sup>, students with three or more final exams on the same day have the right to reschedule exams following the first two. Please notify me as soon as possible and *no later than March 1<sup>st</sup>* if you would like to invoke this right.

#### *Problem Sets*

There will be 4 problem sets during the semester. They are generally applications of concepts, theories and models we cover in class. There will be both multiple choice and short answer questions in the problem sets. Completion of the problem sets is necessary. Not attempting every problem will result in a grade reduction of 50%.

You are encouraged to discuss and work on the problem sets in small groups (5 people or less). However, each of you must hand in your own work for each assignment. If you work with others, you must put the names of your group members on your assignment (please make sure your name is distinct, so that I know who I will give grade to). Submitting almost-identical problem sets is NOT allowed.

#### *Article Analyses*

There will be 2 article analyses given during the term. I will provide an article for each assignment with some guiding questions, and you will need to write a 1-2 page analysis based on the article, applying the theories we learn in class. You do not need to answer all guiding questions, just think and write your thoughts based on your experience reading the article. If you would like to write your analysis for an alternate article, please talk to me before you start to write.

*Article analysis is an individual work.* You must work on your own and submit your write-ups.

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<sup>1</sup> Please refer to [http://www.colorado.edu/policies/final\\_exam.html](http://www.colorado.edu/policies/final_exam.html)

### Tentative Course Schedule

| Week                                                            | Topic                                          | Chapter |
|-----------------------------------------------------------------|------------------------------------------------|---------|
| Jan 10 <sup>th</sup> – 14 <sup>th</sup>                         | Introduction                                   | 1 & 2   |
| Jan 17 <sup>th</sup> – 21 <sup>st</sup>                         | The Long-Run Introduction;<br>Production Model | 3 & 4   |
| Jan 24 <sup>th</sup> – 28 <sup>th</sup>                         | Production Model;<br>Solow Growth Model        | 4 & 5   |
| Jan 31 <sup>st</sup> – Feb 4 <sup>th</sup>                      | Solow Growth Model                             | 5       |
| Feb 7 <sup>th</sup> – 11 <sup>th</sup>                          | Romer Model                                    | 6       |
| Feb 14 <sup>th</sup> – 18 <sup>th</sup>                         | Labor Market                                   | 7       |
| Feb 21 <sup>st</sup> – 25 <sup>th</sup>                         | Inflation                                      | 8       |
| <b>Feb 28<sup>th</sup> – Mar 4<sup>th</sup></b>                 | <b>Midterm 1</b><br>The Short-Run Introduction | 9       |
| Mar 7 <sup>th</sup> – 11 <sup>th</sup>                          | IS curve                                       | 10      |
| Mar 14 <sup>th</sup> – 18 <sup>th</sup>                         | MP curve & the Phillips Curve                  | 11      |
| Mar 21 <sup>st</sup> – 25 <sup>th</sup>                         | <b>Spring Break</b>                            |         |
| Mar 28 <sup>th</sup> – Apr 1 <sup>st</sup>                      | AS/AD Framework                                | 12      |
| Apr 4 <sup>th</sup> – 8 <sup>th</sup>                           | AS/AD Framework<br>Government                  | 12 & 15 |
| Apr 11 <sup>th</sup> – 15 <sup>th</sup>                         | International Trade                            | 16      |
| Apr 18 <sup>th</sup> – 22 <sup>nd</sup>                         | Exchange Rates                                 | 17      |
| <b>Apr 25<sup>th</sup> – 29<sup>th</sup></b>                    | <b>Midterm 2</b><br>Review for the Final Exam  |         |
| <b>Apr 30<sup>th</sup> (Saturday)<br/>1:30 p.m. – 4:00 p.m.</b> | <b>Final Exam</b>                              |         |

Exams will be held in the same class room.

## **Additional Notes**

### **Disability**

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services (DS) early in the semester so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, (<http://www.colorado.edu/disabilityservices>).

Disability Services letters for students with disabilities indicate legally mandated reasonable accommodations. Other letters/requests you may receive from agencies such as the Wardenburg student Health Center, or other health providers, such as physicians or counselors, are recommendations you may choose to follow to assist students but are not necessarily legal mandates. The syllabus statements and answers to Frequently Asked Questions can be found at <http://www.colorado.edu/disabilityservices>.

### **Religious Holidays**

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. In this class, reasonable accommodations will be made for students that notify me adequately in advance of conflicts.

Students can see full details at [http://www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html).

### **Code of Behavior**

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to behavioral standards may be subject to discipline. Faculty has the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at <http://www.colorado.edu/studentaffairs/>

### **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 nonacademic sanctions (including but not limited to university probation, suspension, or expulsion). In this class, the minimum sanction for violations of the honor code will be a 0 score for the work in question. Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> ,

<http://www.colorado.edu/academics/honorcode/> .

### **Other Policies and Notes**

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply 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, 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>

Be aware of the Drop/Add deadlines

([http://registrar.colorado.edu/students/registration/registration\\_packet/drop\\_add.html](http://registrar.colorado.edu/students/registration/registration_packet/drop_add.html))

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. 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 within the time indicated in the academic calendar. For the complete final examination policy, see the University of Colorado at Boulder Catalog (<http://www.colorado.edu/catalog> ).