

Economics 300 – Fall 2004
Intermediate Macroeconomics
Course website: <http://www2.hawaii.edu/~noy/300.html>

Tuesday-Thursday 9:00-10:15 (Business Administration Bldg D104)

Ilan Noy - pronounced *ee-lan*

Saunders Hall 516

noy@hawaii.edu

Tel: (808) 956-7749

Fax: (808) 956-4347

Office hours: Tuesday and Thursday 10:30-12:00, or by appointment.

Email is by far the best way to contact me for appointments, emergencies, or clarifications.

Course Description

This class is an in-depth exploration of how macroeconomic models help us explain and predict the behavior of the aggregate economy in the short and long run. It is constructed of five modules. We begin by examining measures of the macro-economy and their determination in the short-run (when prices do not change). We study the Keynesian IS-LM model and show how the market for goods and services interacts with the money market to jointly determine output and interest rates. We follow that with study of the labor market, its connections with the goods and money markets and the determination of output and inflation in the medium run (the AS-AD model). We then extend these models to look at open economies (countries that trade with the rest of the world). Following the neoclassical approach, we then examine and critique the long-run Solow Growth Model (SGM). We finish with a closer examination of the practice of monetary and fiscal policy.

Text: *Macroeconomics*, by Olivier Blanchard. Prentice Hall, 3rd edition

Grading

Exam I (modules I-II)	30%
Exam II (modules III-IV)	30%
Problem sets (modules I-IV)	12%
Final Paper (module V)	20%
Attendance and participation	8%

Grades awarded will include +/- notation

Exams

Exams will cover material from lectures, problem sets and the textbook. Exams are not cumulative.

Exam I:	TBA
Exam II:	TBA

Problem Sets

Problem sets have to be handed in not later than the *beginning* of lecture the day they are due. No late problem sets will be accepted. The 3 problem sets with the highest grade will count toward your final grade. An answer key will be posted on the web for each problem set after its due date.

Problem sets will be due on Thursdays. No late problem sets will be accepted. Due dates will be announced in class and online.

Schedule of Readings in Blanchard:

Precise reading assignments will be announced ahead of time in class and online:

	<u>Chapters</u>	
Module I:	1-2	Introduction to (closed) macroeconomics
	3-5	The Short Run: The IS-LM model (1 st problem set)
Module II:	6-7	The Medium Run: The AS-AD model (2 nd problem set)
	Exam I	
Module III:	18	Introduction to (open) macroeconomics
	19-21	The Short Run: The IS-LM-IP model (3 rd problem set)
Module IV	10-12	The Long Run: The Solow Growth model (4 th problem set)
	Exam II	
Module V:	25-26	Fiscal and monetary policy
	Final paper	
	24	Policy in a political world (optional)

Extra Readings

The class website contain other readings that are divided by subject (according to the course's modules). These readings are not required but are there for your own benefit and interest.

Disability Needs

If you feel you need reasonable accommodations because of the impact of a disability, please, (1) contact the KOKUA program at 956-7511 or 956-7612 (rm. 013 at QLCSS) and (2) discuss with me any specific needs related to your documented disability.

Suggestions

This course will not be difficult if you read the assigned readings, attend lectures, and do the problem sets. Make use of my office hours. I will always respond to emails containing specific questions about the material discussed or the problem sets. Attempting to study just before exams is likely to result in failure. You will receive practice exams before both exams and should use those as your primary study-guides.