Course outline

This course in intermediate macroeconomics aims to build a solid foundation of macroeconomic theory and apply the theory to evaluate current economic issues and real world policy questions. The course covers key macroeconomic topics, such as productivity, inflation, aggregate supply and demand, fiscal policy, budget deficit, business cycles and others. The heart of the course is the aggregate supply and demand model, which is applied to a variety of policy issues and is expanded to introduce the modern business cycle models.

Student learning outcomes

• Explain key macroeconomic concepts, such as productivity, inflation, unemployment, business cycles, monetary and fiscal policy, aggregate demand and supply and others.
• Graphically demonstrate the aggregate demand and supply model and the factors that affect equilibrium outcomes.
• Apply the theories learned in class to real-world policy issues.
• Understand how monetary and fiscal policy can be used to stabilize economy.
• Be able to find and analyze basic macroeconomic data.

Prerequisites and Requirements
Econ130 or 131. Basic knowledge of mathematics, statistics and Excel graphing is helpful.

Textbook
Frederic S. Mishkin. Macroeconomics: Policy and, 2/E

Note: First edition of the text can be used. However, the problems and homeworks will be assigned from the second edition.
Grading and expectations

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Class participation</td>
<td>You will be rewarded for class participation, which includes being prepared (i.e. reading the assigned material), asking and answering questions in class and making thoughtful and relevant comments. Reviewing PPT ahead of time is a good practice.</td>
<td>10%</td>
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<tr>
<td>In-class assignments and quizzes</td>
<td>There will be in-class individual and group assignments (aka quizzes). I will sometimes give points for the first 5-10 individuals or first 2-3 groups who answer the questions correctly, so it pays to be prepared.</td>
<td>10%</td>
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<tr>
<td>Homework</td>
<td>There will be several homework assignments which will contain quantitative exercises.</td>
<td>15%</td>
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<tr>
<td>Midterm</td>
<td>There will be one midterm</td>
<td>30%</td>
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<tr>
<td>Final Exam</td>
<td>Final exam is comprehensive</td>
<td>35%</td>
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Policies

It pays off to attend classes. I don’t take attendance. However, a good portion of your grade is based on class participation (10%) and in-class assignments (10%). If you miss class there is no make-up for in-class assignments.

Exams. Please note the dates listed below for both the midterm and the final exams. Exams must be taken on the assigned dates. Only documented medical emergencies are valid reasons for missing exams. In case of emergency, the exam will be scheduled with University Proctoring service, if they have availability. If proctoring if not available, the weight of the missed exam will be allocated to the other exam. No “extra credit” assignments will be given near the end of the term to make up for missed work earlier in the term.

MIDTERM EXAM: Oct 23, 9am-10:15am.
FINAL EXAM: Dec 18, Th. 9:45am-11:45am

Homework assignments will be listed in the PP slides for the corresponding chapter. If you miss a class, it is your responsibility to review PP slides for the missed class and to keep track of any homework assignments given. The homework is due at the beginning of the class on the date assigned. Partial (50%) credit will be given for late homework but only if it is turned in before answers are distributed, after which there will be no credit given. The answers to all homework assignments will be distributed via Laulima and/or discussed in class about a week after the homework is due. Homework is an individual and not a group project!
Tentative Lecture Schedule

Chapter. Topic
1. The Policy and Practice of Macroeconomics
2. Measuring Macroeconomic Data
3. Aggregate Production and Productivity
4. Saving and Investment in Closed and Open Economies
5. Money and Inflation
8. Business Cycles: An Introduction
9. The IS Curve
10. Monetary Policy and Aggregate Demand
11. Aggregate Supply and the Phillips Curve
12. The Aggregate Demand and Supply Model
13. Macroeconomic Policy and Aggregate Demand and Supply Analysis
16. Fiscal Policy and the Government Budget
21. The Role of Expectations in Macroeconomic Policy
22. Modern Business Cycle Theory

If time allows, we may cover some of the following chapters:
6. The Sources of Growth and the Solow Model
7. Drivers of Growth: Technology, Policy, and Institutions
17. Exchange Rates and International Economic Policy
20. The Labor Market, Employment, and Unemployment