

**Department of Economics
University of Hawai'i at Mānoa**

**Economics 300: Intermediate Macroeconomics
Summer I 2009
MTWRF 10:30am – 11:45am
Room: TBA**

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Office Hours: Tuesday 9:00am-10:00am and by appointment

Course Description and Objectives

This course is an in-depth exploration of how macroeconomic models help in explaining and predicting the behavior of the aggregate economy in the short- and long- run. This course is comprised of five modules. The first module explores the Keynesian IS-LM model and shows how output and interest rates are jointly determined. The second module focuses on the labor market, and its connections with the markets for goods and money. All these will be helpful in analyzing and explaining the current macroeconomic policies and debates. The third module extends these models to look at open economies. Following the neoclassical approach, the fourth module finishes with an examination and critique of the long-run Solow-Growth-Model that will provide some insights into why some countries develop faster than others. The last module takes a closer examination on the practice of monetary and fiscal policy.

Textbook

Macroeconomics, by Olivier Blanchard. Prentice Hall, 5th edition (2009)

Grading

Midterm Exam	30%
Final Exam	40%
Problem Sets	20%
Student Presentation	10%

Exams

Exams will cover material from lectures, problem sets, and the textbook. Exams are not cumulative. All exams are closed-book/notes. Make-up exams will be given only under acceptable circumstances (own illness or critical emergency).

Midterm Exam: June 10

Final Exam: July 2

Problem sets. There will be four problem sets. They are designed to test students' understanding of concepts developed in class and to ensure that students keep up with the required reading. 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. An answer key will be posted on the web for each problem set after its due date. The due dates for the problem sets will be announced in class.

Student Presentation. Students will be assigned to briefly present current events/news in the United States (under closed economy) and the rest of the world (under open economy) related to the topics being discussed in class. This is designed to test your understanding of the concepts developed in class and relating them to current events and real world issues. The presentation will be followed by an open discussion.

Schedule of Readings in Blanchard

Chapters

Module I: 1-2 Introduction to (closed) macroeconomics
3-5 The Short Run: IS-LM model (1st problem set)
Module II: 6-7 The Medium Run: AS-AD model (2nd problem set)

Midterm Exam

Module III: 18 Introduction to (open) macroeconomics
19-21 The Short Run: IS-LM-IP model (3rd problem set)
Module IV: 10-12 The Long Run: The Solow model (4th problem set)
Module V: 25-26 Fiscal and monetary policy
24 Policy in a political world

Final Exam

Disability Assistance

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 (located in QLCSS, Room 013) and (2) discuss with me any specific needs related to your documented disability.

Academic Accountability

Students are expected to abide by the University's academic code of conduct. All work, including examinations, should be that of the student submitting it.

Tentative Schedule

Week 1	1	May 26	Ch1-2. Introduction to macroeconomics
	2	May 27	Ch3. The Goods Market
	3	May 28	Cont. The Goods Market
	4	May 29	Ch4. Financial Markets
Week 2	5	June 1	Cont. Financial Markets
	6	June 2	Ch5. Goods & Financial Markets: The IS-LM Model. <i>Problem Set 1</i>
	7	June 3	Cont. Goods & Financial Markets: The IS-LM Model
	8	June 4	Ch6. The Labor Market
	9	June 5	Ch7. The AS-AD Model. <i>Problem Set 2. Due Problem Set 1.</i>
Week 3	10	June 8	Cont. The AS-AD Model.
	11	June 9	Review
	12	June 10	Midterm Exam
	13	June 11	Holiday: Kamehameha Day
	14	June 12	Ch18. The Open Economy. <i>Due Problem Set 2.</i>
Week 4	14	June 15	Ch19. The Goods Market
	15	June 16	Ch21. Exchange Rate Regimes. <i>Problem Set 3.</i>
	16	June 17	Ch10. The Facts of Growth
	17	June 18	Cont. The Facts of Growth. <i>Due Problem Set 3.</i>
	18	June 19	Ch11. Saving, Capital Accumulation & Output
Week 5	19	June 22	Cont. Saving, Capital Accumulation & Output
	20	June 23	Ch12. Technological Progress & Growth. <i>Problem Set 4.</i>
	21	June 24	Cont. Technological Progress & Growth
	22	June 25	Ch25. Monetary Policy
	23	June 26	Cont. Monetary Policy. <i>Due Problem Set 4.</i>
Week 6	24	June 29	Ch26. Fiscal Policy
	25	June 30	Cont. Fiscal Policy
	26	July 1	Ch24. Should Policymakers Be Restrained?
	27	July 2	Final Exam