

AMERICAN UNIVERSITY

Intermediate Macroeconomics

ECON 301

Semester: Fall 2017
Time: tbc
Place: tbc

Instructor: Ignacio González
Email: ignaciog@american.edu
Office: Kreeger G11
Office Hours: tbc

TA: Hannah Randolph
Email: hr4964a@american.edu
Office: Kreeger G02
Office Hours: tbc

Course Description and Objectives: This is an intermediate college-level macro course that focuses on the principles that apply to an economic system as a whole. We will learn how macroeconomists use models and real-world data to understand why economies grow (long-run macroeconomics) and why economies fluctuate (short-run macroeconomics). We will learn how production, employment, prices and interest rates are determined, and what type of stabilization policies, fiscal or monetary, can improve economic performance. By the end of this course, you should be able to present a well-reasoned view of major macroeconomic events, such as the Great Recession in the U.S. or the ongoing crisis in Southern Europe, and formulate a motivated opinion on the fiscal and monetary responses associated to those events. You will also learn how to use graphs, data and (simple) mathematical reasoning to explain macroeconomic phenomena.

Prerequisites: ECON-100 (Principles of Macro) and ECON 200 (Principles of Micro).

Course website: Check Blackboard at least once every 3 days. Relevant course material will be posted there: <http://blackboard.american.edu>

Required Reading:

- The required textbook is *Macroeconomics* by Charles I. Jones, 4th edition, W.W. Norton & Company. See the course outline for required chapters by topic. You can also use the 2nd or the 3rd edition but check my slides in case there is something that those editions do not cover.
- Lecture slides will often deviate from the book.
- You must also check Blackboard for additional readings per topic (compulsory when indicated). They will be announced as the course progresses.

Class Policy:

- Regular attendance is essential and expected. The exams may contain questions that are covered in the class and are not available in the textbook.
- You are responsible for making up anything that was covered during the lectures you missed.

Grading Policy:

- Class Participation (5%), Policy Paper/Project (25%), Midterm exam (25%), Final exam (45%).
- Make-up exams are only offered in case of a documented medical or family emergency, or in cases of absences due to religious holy days. Unexcused absences from exams will result in a zero score in the calculation of the final grade.
- Both the midterm and the final exam are closed book.
- Grades will be based on the performance of the class as a whole. No fixed conversion from numeric scores to letter grades (I expect the average to be a B).

Home assignments: I will post home assignments from time to time (roughly one homework every two weeks). Assignments will not be accepted after the indicated deadline (no exceptions will be made, apart from documented medical or family emergencies). Assignments are an important part of your preparation for the exams. Students are encouraged to work in groups to solve them. However, each student must hand in his own independently written answers to our TA (hard copy or via email). All home assignments must be handed in. They will not be graded but only checked. Failing to hand in one assignment will result in a **5% penalty** over the final grade points.

Midterm: The midterm exam will tentatively cover chapters 2-6. A review session will be given by the TA prior to the exam.

Final Exam: The final exam will be cumulative and will cover the entire covered material. A general review session will be given by myself prior to the exam.

Policy Paper/Project: You are required to submit a 6-10 page policy paper. You should come to my OHs with a proposal and, after we agree on the topic, I will provide some guidelines on how to structure the paper. The topic must be closely related to the material covered during the course and it must also be connected to debated issues in the macroeconomic policy arena. The objective of the exercise is to learn how to write a concise report, to apply the contents of the course to real macroeconomic phenomena and, ideally, to get familiarized with macroeconomics data (policy papers with data analysis are particularly welcome). You must assume that you are writing the brief for a top policy maker that does not know anything about the topic. Your brief should be self explanatory and informative, and should deliver a policy proposal. All papers must be 1.5 spaced with Times New Roman regular font (11- or 12-point size) and one-inch margins. You can start whenever you consider but I suggest that you come to discuss the proposal with me within the two weeks after the Midterm exam. You can work individually or in pairs. If you work in pairs, you will receive the same grade (I will assume that both team members have contributed equally). I will not accept papers that have not been previously discussed with me.

Important Dates:

First day of class	August 28, 2017
No class (Labor Day)	September 4, 2017
TA's review session for midterm exam	October 2, 2017
Midterm Exam	October 5, 2017
No class (Thanksgiving)	November 23, 2017
Paper/Project Deadline	December 4, 2017
Instructor's review session for final exam and last day of class	December 7, 2017
Final Exam	check blackboard

Course Outline:

■ Introduction to Macroeconomics.

Chapter 1

Aug 21 and 28

■ Measuring the Macroeconomy: Macroeconomic Aggregates, Prices and Growth Rates.

Chapters 2 and 3

Sep 7 and 11

■ National Income Determination: A Model of Production.

Chapter 4

Sep 14 and 18

■ The Solow Growth Model.

Chapter 5

Sep 21 and 25

■ Beyond the Solow Model: Endogenous Growth Theory.

Chapter 6

Sep 28

■ Review session (*Oct 2*) and Midterm exam (*Oct 5*)

■ The Labor Market.

Chapter 7

Oct 9 and 12

■ Money and Inflation.

Chapter 8.

Oct 16 and 19

■ The Short Run: The IS curve

Chapter 9 and 11

Oct 23 and 26

■ The Short Run: Monetary Policy, the IS-MP Diagram and the Philips Curve

Chapter 12

Oct 30, Nov 2 and 6

■ Stabilization Policy and the AS/AD Framework

Chapter 13

Nov 13, 16 and 20

■ The Great Recession and its Legacy

Chapter 10 and Chapter 14

Nov 27 and 30

■ The Government and the Macroeconomy

Chapter 18

Dec 4

■ Review session (*Dec 7*) and Final exam (*Dec TBC*)

Academic Integrity:

- Students must comply with the Academic Integrity Code available at <http://www.american.edu/academics/integrity/code.cfm>.
- You should read it carefully, particularly section II.A (definition of academic integrity violations, including plagiarism and dishonesty in examinations) and section III.C (sanctions).

Academic Support:

- All students may take advantage of the [Academic Support and Access Center \(ASAC\)](#) for individual academic skills, counseling, workshops, tutoring and writing assistance, as well as Supplemental Instruction.
- Students who wish to request accommodations for a disability, must notify me with a letter of approved accommodations from the ASAC. As the process for registering and requesting accommodations can take some time, and as accommodations, if approved, are not retroactive, I strongly encourage students to contact the ASAC as early as possible. For more information about the process for registering and requesting disability-related accommodations, contact ASAC.

Technology in the classroom: The use of electronics in the classroom is allowed. It is your responsibility to use them for educational purposes. In any case, be considerate when using them and always turn off the sound.