**Intermediate Macroeconomics**

ECONOMICS 4020 – Fall 2012

T/H 1:25 – 2:45 PAB 103

Codrina Rada

Assistant Professor

Department of Economics

Office Hours: W 11:00-12:00 OSH 367 or by appointment

e-mail: [rada@economics.utah.edu](mailto:rada@economics.utah.edu)

**Teaching Assistant**: Kerem Cantekin e-mail: [kerem.cantekin@economics.utah.edu](mailto:kerem.cantekin@economics.utah.edu)

Cubicle #7 3rd floor of OSH, Office hours: Tuesday 12pm-1pm

**Overview**:

This course is intended to introduce students to the main macroeconomic

models and theories. The focus will be on the mechanisms and process taking place in the three main markets existent in a modern economy: the goods market, the financial market and the labor market. The analysis will focus not only on the processes and equilibrium conditions in each separate market but also on the interaction between different markets such that students understand the issues discussed in the context of the economy as a whole. Extensions of the macroeconomic models in the context of the open economy will also play an important part in this course. The analysis will refer among others to issues related to effects on exchange rates, external imbalances and effects of capital flows on domestic financial markets. Overall the course aims to use macroeconomic theory and analysis to build an understanding of policies and instruments used in real world to deal with various issues such as economic cycles, unemployment or inflation. To this end students will be asked to read articles from economic journals and newspapers such the Financial Times or the Wall Street Journal

**Course Material:**

**Required Textbook**:

*Macroeconomics*, 5th ed., by Olivier Blanchard, Prentice Hall. The textbook can be purchased from the university’s bookstore.

**Other materials:**

Various blogs that focus on macroeconomic issues are available online. Some of these are Brad Setser’s blog (<http://blogs.cfr.org/setser/>), Financial Times’ blogs (<http://www.ft.com/comment/blogs>). As I find interesting articles for you to read I will post them or the link to them on the Canvas.

**MyEconLab:**

Assignments will be posted on myeconlab.com. You can access myeconlab using the code [XL0U-511G-301Z-41L2](javascript:CourseIDPopup(1406212,%20'XL0U-511G-301Z-41L2');) and login information you will receive after purchasing MyEconLab from <http://www.myeconlab.com/register>. Study guides, articles, announcements or any other materials pertaining to the course will be posted on MyEconLab website and, possibly on the Canvas. You can access the Canvas from your own U of U’s portal (or account) at my.utah.edu.

**Course Organization:**

The class sessions will follow a lecture/discussion format. In addition to the presentation of formal macroeconomic models and theories I will try to go over as many actual examples and problems as possible. To this end during some of the classes I will ask you to work in groups on problems or case studies.

**Course requirements:**

There will be one midterm exam (see time schedule), one final exam and 10 assignments which will contribute to your final grade as following:

Final Exam: 30%

Midterm Exam: 30%

Assignments: 10\*4% = 40%

Assignments will be posted on myeconlab and will include both multiple choice questions and some numerical or graph-based questions. The answers to the former will be entered online. For the latter, depending on the format, you will have to submit your answers on paper at the beginning of the class on the day the assignment is due.

Grades are not curved but will follow an absolute scale according to university’s requirements:

93% and above A+, 90% -92% A-, 86-89%B+, 82-85% B, 79-81% B-, 76-78%C+, 73-75% C, 70-72% C-, 67-69% D+, 64-66% D, 60-63% D-,<60 F

Tentative date for the mid-term: March 5, 2012. The final exam will take place during the finals week. Based on that schedule the exam for ECON 4020 is scheduled for Friday, April 27, 2012 1:00 – 3:00 pm. Both the final and the midterm exams will be in-class, closed book and closed notes and will cover numerical and non-numerical problems as well as multiple choice questions. Prior to each of the two exams we will do a review session based on a study guide that I will post on MyEconLab and the Canvas. In preparation for the two exams you should work through the study guide, the problems you have received in your assignments and the problems we will be covering during class sessions.

**Late assignments and make-up exam policy:**

All assignments will be through myeconlab.com. The system will be set up such that after the deadline no answers to the multiple choice questions can be submitted. In other words no late assignments will be accepted. In terms of make-up exams, you will have to give me at least 4 weeks notice otherwise no make-up exam will be available. In case of family or personal medical emergency you will need to provide a note from a physician/hospital which will be checked by the department.

**Other issues:**

Students who need special accommodation for the exams will need to contact the University’s Testing Center <http://www.sa.utah.edu/testing/>. Please be advised that you may need to provide a physician’s note stating your condition.

**Reading Schedule (tentative)**

The length of the semester may prove insufficient for discussing in detail all the topics presented in the book. The main goal is to focus on chapters 5-15, and chapters 20-21.

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| **WEEK 1**    **WEEK 2**    **WEEK 4**  **WEEK 5**  **WEEK 6**    **WEEK 7**    **WEEK 8**  **WEEK 9**  **WEEK 10**  **WEEK 11**  **WEEK 12**  **WEEK 13**  **WEEK 14**  **WEEK 15**  **WEEK 16** | Introduction to Macroeconomics \_ Chapters 1-5  Introduction to Macroeconomics \_ Ch 1-5/ Debates in Macroeconomics \_Ch 18  Measuring National Input and National Income\_ Chapter 6  Measuring National Input and National Income\_ Chapter 6  Long-run and short-run concerns \_Chapter 7  Long-run and short-run concerns \_ Chapter 7  Aggregate Expenditure and Equilibrium Output\_ Chapter 8  Aggregate Expenditure and Equilibrium Output\_ Chapter 8  The Government and Fiscal Policy\_ Chapter 9  The Government and Fiscal Policy\_ Chapter 9  The Money supply and the FED\_ Chapter 10  The Money supply and the FED\_ Chapter 10  Review for Midterm Exam  **Midterm Exam**  Money Demand and the Equilibrium Interest Rate \_ Ch 11  Money Demand and the Equilibrium Interest Rate \_ Ch 11  Aggregate Demand in the Goods and Money Markets Ch 12  Aggregate Demand in the Goods and Money Markets Ch 12  Aggregate Supply and the Equil. Price Ch. 13  Aggregate Supply and the Equil. Price Ch. 13  Labor Market \_Chapter 14  Financial Crises, Stabilization, and Deficits\_Chapter 15  Long-run Growth \_Chapter 17  Debates in Macroeconomics \_Chapter 18  Open-Economy Macroeconomics: Chapter 20 (Final study guide on WebCT)  Developing and Transitional Economies\_ Chapter 21  Wrap-up and Review for Final Exam |