

Econ 352: Intermediate Macroeconomics

Trevor Gallen

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Overview of the Class

The purpose of this class is to give you a rigorous introduction to macroeconomic theory and empirics. We examine longstanding stylized facts about both long-run growth and short-run fluctuations in macroeconomic aggregates through the focusing lens of theory. We study determinants of equilibrium in labor, consumption, investment, and money markets in particular. In doing so, we will also touch on money and banking and financial markets.

Outline

This course lasts sixteen weeks and will teach macroeconomic theory and empirics using Barro's Intermediate Macroeconomics. We will touch on the macroeconomic aggregates, economic growth, models of the business cycle, inflation and money, the government sector and taxation, exchange rates and trade, and money and banking. The course will top off with a discussion of the U.S. financial crisis. I encourage you to be engaged in class: to that end, we will make use of Purdue's application "Hotseat," which I will discuss more in class on the first day. I will primarily use slides, which I will post

Important!

By the second week of the semester you *must* do the following (by January 23rd)

1. Read this syllabus completely and familiarize yourself with due dates & test dates.
2. Let me know if you require an accommodation due to disability, religious holiday, or exam conflict. Any request after that date is not timely.

Logistics

This class meets on Mondays, Wednesdays, and Fridays 11:30-12:20 a.m. in KRAN G012. Initially, my office hours will be from 2:00-3:00 on Wednesdays in KRAN 541. The TA for the course is Darwin Brack, who will hold office hours on Tuesdays from 8:00-10:00 a.m. in KRAN B024-E.

HotSeat

This class will use Purdue's "HotSeat" (<https://www.openhotseat.org>) technology, which allows me to poll you and for you to respond in realtime via your cell phones. We will have a tutorial given by a HotSeat technician during the second class, so please attend.

Textbook

The required textbook for this class is Robert Barro's Intermediate Macro, available in the bookstore.

It is also available through Amazon.com. Please note that Barro's other books, such as "Macroeconomics: A Modern Approach" and "Macroeconomics: 5th Edition" are similar but not identical to our textbook: use them at your own risk.

We will also use other supplementary texts, such as Ben Bernanke's GWU lectures on the financial crisis. Materials relating to these lectures are optional for purchase at the bookstore; they are also available online at the Federal Reserve. We will also use a teaching supplement to a previous version of Barro produced by Matthias Doepke, Andreas Lehnert, and Andrew Sellgren, also available online. Finally, we will

read several papers which I will post on Blackboard. I will discuss how to access all non-Barro readings at the relevant time during the quarter.

Formal Requirements

The formal requirements for this course are seven problem sets, two “midterm” exams, and a final exam, as well as

- Seven problem sets (25%)
 - I will take the six highest grades dropping your lowest score of the quarter
 - Due at the *beginning* of class.
 - Turning in after the first five minutes will lose 5%
 - After that, no credit will be given.
- Two midterms, (15% each) taking place on February 22nd and March 28th.
 - Midterms will be cumulative, weighted towards recent material
- The final exam (35%) will take place on a day TBD by late February, by Purdue.
 - Final exam will be cumulative, but will have a minor focus on the untested portions of the course.
- Spontaneous evaluated learning experiences (SELEs) and Hotseat responses (10% total).
 - I reserve the right to give *up to* three “pop quizzes” in class, covering the recent material I have taught. Insofar as these are given, they will be valued at 2% each.
 - 10%, minus whatever points have gone to SLEs (up to 6%) will be based on your Hotseat responses.

Grading

Your grade will be determined by how you do on your seven problem sets, the midterm(s), the final, and your SELEs/HotSeat responses. The weights attached to each are given below:

Category	Points	Due Date
Assignments (25%)	90 points	
· Assignment 1	15 points	1/22
· Assignment 2	15 points	2/3
· Assignment 3	15 points	2/15
· Assignment 4	15 points	3/7
· Assignment 5	15 points	4/11
· Assignment 6	15 points	4/18
· Assignment 7	15 points	4/29
Midterm Exam I (15%)	54 points	2/22
· Multiple Choice	26 points	
· Free Response	26 points	
Midterm Exam II (15%)	54 points	3/28
· Multiple Choice	26 points	
· Free Response	26 points	
Final Exam (35%)	126 points	TBD
· Multiple Choice & Free Response		
SELEs and Hotseat (10%)	36 points	·
· SELEs (2% each)	7.2 points	·
· Hotseat responses (up to 10%)	N/A	·

Tentative Schedule Please note: the topics section of this may drift from day to day or week to week. I will make adjustments and update the syllabus and the website text surrounding it. This is therefore a *tentative* schedule and updates on timing will be noted on Blackboard and updated in the syllabus posted online.

Tentative Schedule

Week	Date	Topic	Reading	Other
Week 1a	Jan. 11th	Course Introduction	Syllabus	
Week 1b	Jan. 13th	The Macroeconomic Way of Looking at Life	Ch. 1	
Week 1c	Jan. 15th	Macroeconomic Aggregates	Ch. 2	
Week 2a	Jan. 18th	No class (holiday)		
Week 2b	Jan. 20th	Macroeconomic Aggregates		
Week 2c	Jan. 22th	Economic Growth: Empirics	Ch. 3	Hwk. 1 Due
Week 3a	Jan. 25th	Functional Forms		
Week 3b	Jan. 27th	Economic Growth: Solow	Ch. 4	
Week 3c	Jan. 29th	Economic Growth: Solow		
Week 4a	Feb. 1st	Economic Growth: Convergence	Ch. 5	
Week 4b	Feb. 3rd	Economic Growth: Applications	Lucas 1990	Hwk. 2 Due
Week 4c	Feb. 5th	Economic Growth: Automation	Autor 2015	
Week 5a	Feb. 8th	Family Economics and Macro Behavior	Becker 1987	
Week 5b	Feb. 10th	Skill-Biased Technological Change	Acemoglu 2002	
Week 5c	Feb. 12th	Markets, Prices, Supply and Demand	Ch. 6	
Week 6a	Feb. 15th	Consumption, Savings, Investment	Ch. 7	Hwk. 3 Due
Week 6b	Feb. 17th	Equilibrium Business Cycle Model	Ch. 8	
Week 6c	Feb. 19th	Equilibrium Business Cycle Model		
Week 7a	Feb. 22nd	Midterm I	Midterm I	
Week 7b	Feb. 24th	Capital Util. and Unemployment	Ch. 9	
Week 7c	Feb. 26th	Capital Util. and Unemployment		
Week 8a	Feb. 29th	Money and Prices	Ch. 10	
Week 8b	Mar. 2nd	Money and Prices		
Week 8c	Mar. 4th	Inflation & Money	Ch. 11	
Week 9a	Mar. 7th	Inflation & Money	McCandless & Weber 1995	Hwk. 4 Due
Week 9b	Mar. 9th	The Government Sector	Ch. 12	
Week 9c	Mar. 11th	The Government Sector		
Week 10a	Mar. 14th	No class (holiday)		
Week 10b	Mar. 16th	No class (holiday)		
Week 10c	Mar. 18th	No class (holiday)		
Week 11a	Mar. 21st	Taxes	Ch. 13	
Week 11b	Mar. 23rd	Taxes		
Week 11c	Mar. 25th	Taxes	Kleven 2014	
Week 12a	Mar. 28th	Midterm II		Midterm II
Week 12b	Mar. 30th	Public Debt	Ch. 14	
Week 12c	Apr. 1st	Public Debt		
Week 13a	Apr. 4th	Money and Business Cycles - I	Ch. 15	
Week 13b	Apr. 6th	Money and Business Cycles - II	Ch. 16	
Week 13c	Apr. 8th	Money and Business Cycles - II		
Week 14a	Apr. 11th	World Markets in Goods and Trade	See Blackboard World Markets	Hwk. 5 Due
Week 14b	Apr. 13th	World Markets in Goods and Trade		
Week 14c	Apr. 15th	Exchange Rates	See Blackboard Exchange Rates	
Week 15a	Apr. 18th	Exchange Rates		Hwk. 6 Due
Week 15b	Apr. 20th	Money and Banking	Doepke et al. Ch. 17.1	
Week 15c	Apr. 22nd	Money and Banking	Doepke et al. Ch. 17.2-17.3	
Week 16a	Apr. 25th	Money and Banking	Doepke et al. Ch. 17.4	
Week 16b	Apr. 27th	The U.S. Financial Crisis	Bernanke Lectures 1 & 2	
Week 16c	Apr. 29th	The U.S. Financial Crisis	Bernanke Lectures 3 & 4	Hwk. 7 Due
Finals Week	May TBD	Final Exam		