

Framingham State University
Syllabus
Intermediate Macroeconomics - ECO 301

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“The ideas of economists and political philosophers, both when they are right and when they are wrong are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually slaves of some defunct economist.”

— John Maynard Keynes

General Information

Session: Summer 2019(July 8,2019-August 9,2019)

Credit:4

Teaching Hours: 50 Hours

Time:2 hours/day, Mon.-Fri.

Professor Name: TBA

Home Institution: Framingham State University

Email: TBA

Text: Macroeconomics by Blanchard, 7thEdition

ISBN-13: 978-0133780581 (this is for the hardcover version, but other versions are OK)

University Policies

- The last day to add/drop the course is July 10. After July 10 students may withdraw from the course with a notation of “W” on their records.
- Students must follow the policy on academic honesty specified in the Undergraduate Catalog.

Course Description

An in-depth analysis of the static and dynamic theories of aggregate economic behavior; determinants of consumption, investment, the demand for money, and economic growth.

Prerequisite: ECON 101 Principles of Macroeconomics and ECON 102 Principles of Microeconomics.

Course Goals

This course is designed to give students an overview of standard macroeconomic theory and policy. By the end of the course students should be able to evaluate the current state of the US economy and discuss potential problems facing the US and Chinese economies.

As we move through the course, we will grapple with the tradeoffs of economic policy tools to answer questions such as:

- How should policy makers stave off a recession? Should they use fiscal or monetary policy?
- Should the Federal Reserve Bank continue to raise interest rates?
- Are government deficits a serious problem? If so, are tax increases or reduced spending the solution?
- Why does the US have a trade deficit with China? Is the trade deficit important?
- Can government policies increase long run growth?

Economics is a social science and economic theory is based on models. We will use the models to evaluate economic conditions and current or potential government policies in the US and China. The models are not perfect – they rely on simplifications and assumptions, and they are open to debate; we will discuss criticisms and shortcomings of the theories and models.

Instructional Objectives: Students will be able to...

1. Understand macroeconomic terminology and concepts.
2. Use graphical and mathematical models to analyze markets and a country’s economy.
3. Evaluate the strengths and weaknesses of alternative models of economic performance.
4. Collect and analyze macroeconomic data to evaluate economic conditions.
5. Predict the impact of shocks or public policies such as the current trade disputes between the US and China or the recent US tax cut.
6. Explain macroeconomic concepts and analysis clearly.

Course Structure:

This course will combine lecture, discussion, and group activities. I will use lectures to present new material and to highlight key terms and ideas. However, the lectures will be informal and I expect students to participate by asking questions, talking out ideas, and working through problems with classmates.

Candid discussions are extremely important to help students understand course materials. Students should use class discussion to offer their opinions and come to their own conclusions about a topic or policy. Students will not be penalized for incorrect answers or for asking questions about the material – I encourage participation and questions at any time.

At times I will ask students to work with a partner or in small groups. Academic research has demonstrated that group work is an effective way for students to learn from peers and to assess their own knowledge. For group work to be most effective students must actively participate – sitting passively deprives you and your classmates of the benefit of working in groups → Be a leader not a free rider!

Grades:

Grades will be determined by 4 components:

- Approximately 8HW/Problem Sets 20%
- In-class problems (including group problems) 20%
- 4Quizzes 20%
- Final Exam 40%

I will drop the lowest HW score to calculate grades, which will be based on the following scale:

Score:	85% to 100%	75% to 85%	65% to 75%	55% - 65%	<55%
Grade:	A- to A	B- to B+	C- to C+	D	Fail

Course Policies:

- Attendance is not a direct part of the course grade. However, students will often work on in-class assignments that are graded. Students who are not in class will receive a zero on those assignments.
- Assignments are due at the beginning of class. I will not accept late HW assignments.
- Students who miss a quiz must speak to professor.
- Students may collaborate on HW assignments, but each student must complete his/her own work and explanations must be written in his/her own words.
 - *Inappropriate copying from another student or from an outside source will result in an F in the course. If a student provides his or her work to another student to copy, both students will receive an F in the course.*
 - If a student is in doubt about whether an action is acceptable – e.g. whether it is OK to use material or an answer from an outside source – the student should ask me.
- Students will occasionally work in teams during class to solve problems.
 - Some group work will be informal to practice solving problems, with students choosing their own partners.
 - At other times professor will assign students to teams that will complete a graded assignment. The team's score will count towards each team member's course grade.
 - There is no way to make-up team assignments – students who are absent will receive a zero for any graded work submitted that day.

Schedule:

Professor will send an updated and detailed weekly schedule to students before each week. A typical week will follow a schedule similar to the one below, although this will be adjusted as necessary:

Monday – Review prior material. HW1 is due. Discussion of new material

Tuesday – Discussion and problem solving.

Wednesday – Discussion and problem solving.

Thursday – HW 2 is due. Discussion and problem solving. Review.

Friday – Quiz

- To be successful in this course students should read relevant material before class and come to class prepared to discuss the readings and solve problems.

Planned Schedule of Topics (will be adjusted as necessary)

<u>Week</u>	<u>Topics</u>	<u>Assignments*</u>
1 Jul.8-12	Introduction	Macro vs Micro. Short run, medium run, and long run. Why focus on the USA? What about other countries? Capitalism, Socialism, and Communism • Is the USA Capitalist? Is China Communist?
	Macro Data	GDP, Inflation, and Unemployment, and the relationship between them Evaluating Patterns in Macro Data
	Short Run Model	Composition of GDP The Goods Market and Equilibrium Investment – Savings Equilibrium Financial Markets

2 Jul. 15-19	Short Run Model	The IS-LM Model What is it? How is it used? What are its implications? Nominal vs Real Interest Rates Risk Fiscal and Monetary Policies	HW 2 & 3 Quiz 2 Chapters 5**– 6, 22- 23
Gov't Policy			
3 Jul. 22-26	Medium Run	Labor Markets The Natural Rate of Unemployment The Phillips Curve IS-LM-PC Model	HW 4 & 5 Quiz 3 Chapters 7 – 9**
4 Jul. 29-Aug.2	Long Run	Long run growth in rich and developing countries Aggregate Production Function Savings, Capital, and Output Technological Progress	HW 6 & 7 Quiz 4 Chapters 10 – 13
5 Aug.5- Aug.9	Open Economy Macro	Openness in Goods and Financial Markets Equilibrium in an Open Economy Fiscal and Monetary Policy in Open Economies Exchange Rates and Crises in Open Economies	HW 8 Chapters 17 – 20 FINAL EXAM

* We will also read news stories about current economic events and conditions.

** Chapters 5 and 9 are very important – I advise students to spend extra time reading through them.