



ECON 301 - Intermediate Macroeconomics

Course Information

Semester	: Summer 2020 (July 6 th , 2020 - August 7 th , 2020)
Credit	: 4
Teaching Hours	: 50 Hours
Time	: 2 hours/day, Mon-Fri
Professor Name	: Dr. Abdul Shibli
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Course Description

Welcome to Intermediate Macroeconomics!

In this course we will be working through Intermediate Macroeconomics. Macroeconomics is an aspect of economic study that focuses on the aggregate economic system. Macroeconomics and microeconomics compose the two basic aspects of economic study. The difference between the two fields is simple. Macroeconomics analyzes the economy at a national (or even global) level and is concerned with the economy as a whole, while microeconomics is concerned with individual consumers, firms, and markets.

Within macroeconomics there are several schools of thought. Each school of thought has unique beliefs and theories about the economy. While each school of thought interprets data differently, each one studies the same factors and characteristics. All macroeconomists analyze several factors in order to discover the patterns and trends that influence the economy as a whole. Some of these factors are: the inflation (or deflation) rate, the unemployment rate, gross domestic product, and many others. For example, macroeconomics would analyze the change in GDP and the unemployment rate to help determine the future direction of the whole economy.

Generally, macroeconomics focuses on two areas of study and research. The study of those factors that influence the economy in the short run, and the study of the factors that will have an impact on long term economic growth. In other words, economists are constantly studying those factors that influence the ebb and flow of the business cycle, and those factors that are actually adding to (or detracting from) overall economic achievement and growth.

After analyzing data, macroeconomists begin to recognize economic principles and develop theories and forecasting models. Both Governments and businesses use these models as they develop economic policies that will govern production.

Course Objectives

- We will address the following type of questions:



- What drives economic growth? What explains the large differences in economic performance across different countries of different times? What is the role of policy in economic growth?
- What are the determinants of consumption and saving? How do they matter for both the long run and the short run?
- Why are people unemployed? What should the government do about unemployment?
- Why does macroeconomic activity fluctuate? How do different shocks and policies affect employment, output, investment and consumption over the business cycle?
- Should the government try to stabilize the economy against business-cycle fluctuations, and how? Is it better to restrict what the government can do even if it is fully benevolent, or should we give full discretion to the government?
- What causes financial crises? What is the role of financial markets in the macroeconomy?

Course Learning Outcomes

- Explain and calculate the key measures of the macroeconomy, including:
- GDP & its components, real vs. nominal values, unemployment, and inflation.
- Develop the aggregate demand and supply model and utilize to discuss potential GDP, economic growth and productivity, determinants and components of AS and AD, income and expenditure approaches to GDP, and the multiplier effect.
- Analyze money and financial markets. Describe money, money creation, and financial institutions.
- Evaluate monetary and fiscal policies; discuss policy debates and applications.
- Identify and explain tools of monetary policy and automatic and discretionary fiscal policies. Discuss policy lags and limitations, rules vs. discretion, long run versus short run, expectations, and sources of macroeconomic instability

Required Text

The required textbook for the course is **Macroeconomics**, 7th Edition by Blanchard and Johnson.

I have listed the appropriate readings by each day in the course outline below. You are responsible for material in the textbook readings even if it is not explicitly discussed in class. If there is anything in a chapter that you can skip, I will explicitly tell you in class.

Course Expectations

Class meets every day for two hours unless there is a university holiday, and the exact class dates are noted in the schedule at the end of this memo. Attendance at each class is expected. When you come to class, please be on time, silence cell phones, etc. If any items such as these become a recurring problem, you will be asked to leave the class. I am not particularly opposed to the use of laptops, but with the mathematical symbols used in this



course, I would be surprised to have anyone find them useful for notetaking. I will give you guidance as to when it is appropriate to ask questions. However, if you think I have made an obvious error, please get my attention and let me know right away.

Your Responsibilities

- Notify me immediately by phone or email if you miss a class
- Attend class regularly and keep up with the work
- Complete assignments on time
- Participate in class discussions

Communication

Email is the best way to communicate with me. Please also feel welcome to stop by my office during office hours or make an appointment to see me.

I am unable to stay after class and answer questions because I have other commitments at that time. As for me communicating with you, I have a number of options. I can tell you things in class. I can email the class mailing list. I can post announcements, assignments, etc. on Blackboard (so check it often!) If I have something important to say, I will try to use more than one of these media, but please be on the lookout for course announcements and information.

Couse Assessment

Your grade will consist of the following components:

Midterm Exam: 20%, Final Exam: 40%, Homework and attendance: 20%, Quizzes: 20%

Exams and Quizzes:

I give two in-class quizzes as well as two exams (including the final exam). These dates are indicated on the syllabus. The final exam will be comprehensive, covering material from the entire semester, but will focus a little more on material that hasn't been covered on the midterm exam. The exams will consist of a variety of question types-short answer, true/false, essay, etc. No books or study aids will be allowed during any exam. No make-up exams will be given except for predetermined exceptions. If you do miss the midterm exam, your grade will be reweighted such that the other exams count more. Cheating on any exam will not be tolerated and will result in immediate disciplinary action.

Homework:

You may be assigned homework problems from the book. Unless I state otherwise, homework is due before the following class.



Academic Honesty Policy

Integrity is essential to academic life. Consequently, students who enroll at Framingham State University agree to maintain high standards of academic honesty and scholarly practice. They shall be responsible for familiarizing themselves with the published policies and procedures regarding academic honesty. Academic honesty requires but is not limited to the following practices: appropriately citing all published and unpublished sources, whether quoted, paraphrased, or otherwise expressed, in all of the student's oral and written, technical and artistic work.

FSU Notice of Non-Discrimination and Diversity

Framingham State University is committed to a policy of non-discrimination, equal opportunity, diversity, and affirmative action. The University is dedicated to providing educational, working, and living environments that value the diverse backgrounds of all people. Furthermore, the Massachusetts Civil Rights Act ("MCRA," M.G.L. c. 12, §§ 11H, 11I, 11J) protects the rights of all residents of and visitors to Massachusetts to be free from bias-motivated threats, intimidation, and coercion that interfere with their civil rights. The MCRA protects the right to attend school, live peacefully, and enjoy other basic rights.

Course Outline

July 6	Introduction	Syllabus, etc.
	Chapter 1	What is Macroeconomics
July 7-8	Chapter 2	Measurement and Structure
<u>SHORT RUN MACROECONOMIC ANALYSIS</u>		
July 9-10	Chapter 3	The Goods Market
July 13-14	Chapter 4	Financial Markets I
July 15-16	Chapter 5	Goods and Financial Combined IS-LM
July 17-20	Chapter 6	Financial Markets II
<u>MEDIUM RUN MACROECONOMIC ANALYSIS</u>		
July 20-22	Chapter 7	Labor Market
July 23	Review for mid-term	



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July 27-29	Chapter 8	The Phillips Curve and Natural Rate of Unemployment
July 30-31	Chapter 9	Putting all the Markets Together, from the Short to the Medium Run
<u>LONG RUN MACROECONOMIC ANALYSIS</u>		
August 3-4	Chapter 10	Growth Facts
August 4-6	Chapter 11	Saving, Capital Formation and Output
Quizzes	Q1: July 17 Q2 : July 31	
Exams	MIDTERM	July 24
	FINAL	August 7

Note: All dates are TENTATIVE and may be changed at a week's notice.

Grading

A	95%
A ⁻	90%

B ⁺	86%
B	84%
B ⁻	80%

C ⁺	77%
C	73%
C ⁻	70%

D ⁺	67%
D	63%
D ⁻	60%