

ECO 3203.U02: INTERMEDIATE MACROECONOMIC THEORY

FALL SEMESTER 2024

Instructor: Dr. Joel D. Carton

Office: DM 313B

Phone: 305-348-2682

E-mail: joel.carton@fiu.edu

T.A.: TBA

OFFICE HOURS AND APPOINTMENTS:

I will hold virtual office hours on Wednesdays from 5:00 – 6:30 and Thursdays from 3:00 – 5:00. Those can be accessed via Zoom at the scheduled times with the link <https://fiu.zoom.us/j/4332681122>. No passcode is required to join. On Wednesdays, I will also be available in person in my office.

COMMUNICATION PLAN IN CASE OF DISRUPTION TO ON-CAMPUS ACTIVITY:

In the event that our face-to-face class cannot meet as regularly scheduled, I will contact you through Canvas e-mail to alert you to the change and proceed with lecture delivery via Zoom meetings. In that case, I will e-mail you complete instructions for how to join the virtual lectures in addition to adding instructions and links to the syllabus.

PREREQUISITES:

Students should have completed ECO 2013 or an equivalent course with a grade of C or better before enrolling in this course.

TEXTBOOK:

Mankiw, N. Gregory (2019) *Macroeconomics, 10th edition* published by Worth Publishers (ISBN-13: 978-1-319-10599-0)

COURSE CONTENT:

The purpose of this course is to survey the principal models that have been developed by macroeconomists to explain the behavior of free-market economies and to investigate the implications of those models for policy-making decisions. In particular, it is concerned with how to model the determination of aggregate income, wages rates, exchange rates, inflation rates, interest rates, unemployment rates, and trade balances over long and short time horizons. Although I reserve the right to make modifications as I see fit, my tentative plan is to cover the following topics in order:

- How models work (ch. 1.2)
- Long run vs. short run in macroeconomic models (ch. 1.2)
- The aggregate production function (ch. 3.1)
- Optimal factor demand for perfectly competitive firms (ch. 3.2)
- Long run determination of factor prices and aggregate income (chs. 3.1, 3.2)
- The aggregate demand for goods in a closed economy (ch. 3.3)
- Interest rates and the supply and demand for loanable funds (ch. 3.3, 3.4)
- The quantity theory of money (chs. 5.1, 10.3)
- Real interest rates vs. nominal interest rates (ch. 5.3)
- Net exports and net capital outflow in open economies (ch. 6.1)
- Open economy equilibrium conditions (ch. 6.1)
- Net export determination in small, open economies (ch. 6.2)
- Real exchange rates vs. nominal exchange rates (ch. 6.3)
- Real exchange rate determination in small, open economies (ch. 6.3)
- Purchasing power parity and nominal exchange rates (ch. 6.3)
- The Keynesian cross model of aggregate income (ch. 11.1)
- Spending multipliers (ch. 11.1)

- Liquidity preference theory and interest rates (chs. 11.2)
- The IS/LM model of income and interest rates (chs. 11, 12)
- The AS/AD model of income, interest rates, and prices (ch. 12.2)
- Solow's model of economic growth (chs. 8, 9)

ATTENDANCE POLICY:

I highly recommend that students attend all lectures. When you skip lectures, you only make the class more difficult for yourself, and students who regularly miss lectures almost never do well in the course. However, attendance will not directly figure into the calculation of grades for the course.

GRADING:

Grades will be based on three homework assignments and three exams, including two midterms and a comprehensive final exam. In particular, a student's overall numerical score for the course will be a weighted average of his/her average homework score, average midterm score, and final exam score. The average homework score will receive a weight of 0.30 in the overall grade. Of the midterm average and final exam grade, the better score will receive a weight of 0.50, while the worse score will receive a weight of 0.20.

Letter grades for the course will be determined by students' relative overall numerical scores for the course. Specifically, I will use the following rule to assign letter grades, although I reserve the right to be more generous if it is appropriate:

- A: Top 20% of scores
- B: Next 20% of scores
- C: Next 40% of scores, or all remaining scores greater than 39.5 (whichever is smaller)
- D, F: Lowest 20% of scores, or all remaining scores (whichever is larger)

Note: There will be no extra credit of any kind offered to any student under any circumstances

LATE HOMEWORK:

In order to encourage timely submission of homework, late homework will be penalized as follows:

- Assignments submitted after the deadline, but within 3 days of the deadline will lose 50% of their value.
- Assignments submitted more than 3 days after the deadline will receive a score of zero.

Note: An assignment will be counted as late if it is not submitted within 10 minutes of the start of class on the day that it is due.

EXAM SCHEDULE:

Exams are scheduled as follows. If you take this class, you must take the exams at the scheduled times, unless you have a university sanctioned schedule conflict. If you won't be available to take the exams at the scheduled times, don't take this class. There will be no makeup exams offered to students who miss exams without prior authorization.

- Exam 1: Friday, September 27th
- Exam 2: Friday, November 1st
- Final Exam: Friday, December 13th at 12:00 p.m.

ACADEMIC DISHONESTY:

I will not tolerate cheating of any kind. Although you are free to collaborate with other students on your homework assignments, you will be expected to submit your own assignments and complete your exams without assistance from anyone (or anything). Any student who, in my judgment, is responsible for academic misconduct on an assignment or an exam will receive an automatic zero for that assignment/exam and have a complaint filed against them with FIU's Office of Student Conduct and Academic Integrity.

FIU's Student Conduct and Honor Code define academic misconduct as:

1. Cheating

- The unauthorized use of any materials, information, study aids, or assistance from another person on any academic assignment or exercise, unless explicitly authorized by the instructor
- Assisting another student in the unauthorized use of any materials, information, study aids, or assistance from another person on any academic assignment or exercise, unless explicitly authorized by the instructor
- Having a substitute complete any academic assignment, or completing an academic assignment for someone else, either paid or unpaid

2. Commercial Use

- The selling of course material to another person or student, and/or uploading course material to a third-party vendor without authorization or without the express written permission of the university and the instructor. Course materials include but are not limited to: class notes, instructor's power points, tests, quizzes, labs, instruction sheets, homework, study guides, and handouts.

3. Multiple Submission

- Submitting the same or substantially the same academic work (including oral presentations) for credit more than once. Multiple submissions shall not include situations where written approval by the instructor in the current course is given to the student to use a prior academic work or endeavor. It is each instructor's responsibility to make expectations regarding the incorporation of existing academic work into new assignments clear to their students in writing.

4. Plagiarism

- The deliberate use and appropriation of another's work without any indication of the source, and the representation of such work as the student's own.
- Assisting another student in the deliberate use and appropriation of another's work without any indication of the source, and the representation of such work as the student's own.

ACCOMMODATING DISABILITIES:

In keeping with the Americans with Disabilities Act, I will make every effort to accommodate the needs of students with disabilities. Any student who requires special accommodation to meet course requirements, because of a disabling condition, should contact me as soon as possible to make the necessary arrangements.

DROP/ADD DEADLINES:

- Tuesday, September 3rd: Drop/Add period ends. You will not be refunded for the course if you drop it after this date.
- Monday, November 4th: Last day to drop with DR grade or withdraw from the University with a WI grade.