OFFICE HOURS AND APPOINTMENTS:

I will hold drop in office hours on Wednesdays from 5:00 – 6:30 and Thursdays from 2:00 – 4:00, during which I will be available in person or by phone. In addition, I will be available for appointments as the need arises. To insure availability, appointments should be made with at least 24 hours advance notice.

TEXTBOOK:


PREREQUISITES:

Students should have completed ECO 2013 before enrolling in this course.

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:

- 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 (ch. 8)
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, grades will be based on the following scale, although I reserve the right to be more generous if appropriate:

- A: Top 20%
- B: Next 20%
- C: Next 40%
- D, F: Bottom 20%

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

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: Monday, February 11th
- Exam 2: Monday, March 25th
- Final Exam: TBA
LATE HOMEWORK:

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

- Assignments submitted after the deadline (including after class on the due date), but within 3 days of the deadline will lose 50% of their value.
- Assignments submitted more than 3 days late will receive a zero.

ATTENDANCE POLICY:

I highly recommend that students attend all lectures. When you skip lectures regularly, you only make the class more difficult for yourself. However, attendance will not directly figure into the calculation of grades for the course.

ACADEMIC DISHONESTY:

I will not tolerate cheating of any kind. Although you are free to work with other students on your homework assignments, you will be expected to complete your exams without assistance from anyone (or anything) else. Any student who, in my judgment, is found to have cheated on an exam will receive an automatic zero for that exam.

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, because of a disabling condition, may require some special arrangements in order to meet course requirements should contact me as soon as possible to make necessary accommodations.
DROP DEADLINES:

- Monday, January 14th: Drop/Add period ends. You will not be refunded for the course if you drop it after this date.

- Friday, February 1st: Last day to withdraw from the University with a 25% tuition refund.

- Monday, March 18th: Last day to drop with DR grade or withdraw from the University with a WI grade.