ECO 3203.U01: INTERMEDIATE MACROECONOMIC THEORY
FALL SEMESTER 2022

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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.

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 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 (ch. 8)

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 45.0 (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 (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.

EXAM SCHEDULE:

Exams are scheduled as follows:

- Exam 1: Friday, September 23rd
- Exam 2: Friday, October 28th
- Final Exam: Monday, December 5th; 12:00 – 2:00

Note: 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.

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 our own assignments and complete your exams without assistance from anyone (or anything) else. Any student who, in my judgment, is found to have cheated on a homework 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.

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/ADD DEADLINES:

- Monday, August 29th: Drop/Add period ends. You will not be refunded for the course if you drop it after this date.

- Monday, October 31st: Last day to drop with DR grade or withdraw from the University with a WI grade.