

Moravian College
Department of Economics and Business
Economics 226: Intermediate Macroeconomics
Spring 2013 (T R 1:10–2:20)

Instructor: Eva Marikova Leeds, Ph.D., Associate Professor
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Office Hours: T R 4:00-5:00, F 1:00-3:00, and by appointment

Prerequisites: Economics 152; Economics 156 is recommended

Text: Olivier Blanchard and David Johnson, *Macroeconomics*, Pearson/Prentice Hall, 2013, sixth edition. Please bring it to class every day!

Objectives: The course explains the most important macroeconomic variables: GDP and its growth, inflation, and the unemployment rate. You will be able to:

- Use simple—and not so simple—economic models
- Appreciate the difference in models for different time horizons
- Understand fiscal and monetary policy and evaluate it using models
- Apply your knowledge to current economic events

Requirements:

Homework is due every time we finish a chapter or read an article. Doing homework is the best way to learn the material—and some homework problems are on the exams! Every typed and completed homework counts for 0.5% of your grade, up to 7%; it is not graded. I post answers to all HW on Bb, and I review selected HW problems in class.

- If you receive help or offer help to anyone else, write the name of the relevant person on your HW.
- Turn in all HW before class time on the day it is due. I do **not** accept late HW.

Three reading **assignments**: Find a recent, medium length economic **article** related to the class material. Excellent sources are *The Economist* and major newspapers, such as *The Wall Street Journal* and *The New York Times*. The articles and their analyses are due in class the Tuesday after each exam, and they must be related to the material that was covered on the exam; they count for 2.5% of your grade. The late penalty is 10% per day. Specific instructions along with an example appear on *Blackboard*.

There are three **exams**, each one covering five chapters. I provide all formulas on the board. I also offer an **optional final** exam, which you can use to replace your lowest exam grade. There are **no make-up exams**. If you miss one of the three exams, you must take the final exam. Using a **phone** or **leaving** the room during an exam earns zero points on the exam.

Exam dates:

Exam 1:	February 14 (Thursday)
Exam 2:	March 28 (Thursday)
Exam 3:	April 23 (Tuesday)
Final Exam:	May 2, 8:30 AM (Thursday)

Two short **regression** projects, each counting for 4% of your grade, are assigned in connection with Chapters 2 and 8. A primer on econometrics appears in Appendix 3.

You must **keep** all materials (HW, reading assignments, and exams) that I have checked until you receive your final grade.

Expectations: Some of you will find macroeconomics challenging, but all of you can earn a good grade. For every hour of class time, you are expected to study an additional two hours. You must read the book, do the homework regularly, and study the homework assignments before each exam. I encourage you to see me during office hours, both alone and in groups. To ease your HW and exam preparation, I post slides and make announcements on *Blackboard*. Please check the site before each class!

Grading:	Homework.....	7.0%
	Articles.....	7.5%
	Regressions.....	8.0%
	Three exams.....	77.5%

Grading Scale:

	93 - 100.0: A	90 - 92.99: A-		
87 - 89.99: B+	83 - 86.99: B	80 - 82.99: B-		
77 - 79.99: C+	73 - 76.99: C	70 - 72.99: C-		
67 - 69.99: D+	63 - 66.99: D	60 - 62.99: D-	0 - 59.99: F	

If half the class does not earn As and Bs, I **curve** the exams accordingly.

Attendance Policy:

I urge you to come to class regularly! Attendance does not enter your grade directly, but it has a large impact indirectly. It allows you to participate, learn from your classmates, and get a better sense of what is important. Moreover, the lectures and the text reinforce one another.

Academic Honesty Policy:

I encourage you to study in groups and to discuss all homework, but you must write your own answers **and** the names of all students in the study group on your homework. If you work in groups, acknowledge it, and provide the same answers, the whole group shares one credit.

If you copy your answers from existing handouts, another student, or the web, you will receive **zero** for the whole HW assignment or exam. If you let another student copy from you, you will also receive **zero** points. I offer this advice: If a student asks you for a copy of your HW, do not give it to him/her. Be nice and agree to offer verbal help.

Beware of **plagiarism**! Changing a **few words** in the original is still plagiarism.

If you are lifting phrases (three words or more) or definitions from the textbook or the web, use quotations marks and provide the page number or the URL. If you fail to use quotes or to provide a proper citation, you will get **zero** for the HW or assignment. Read the college academic honesty policy at <http://www.moravian.edu/studentLife/handbook/academic/academic2.html>

Special Accommodations:

Students who wish to request accommodations in this class for a disability should contact Elaine Mara, assistant director of learning services for academic and disability support at 1307 Main Street, or by calling 610-861-1510. Accommodations cannot be provided until authorization is received from the Academic Support Center.

Schedule:

<u>Week of:</u>	<u>Topics</u>	<u>Text</u>
Jan. 14	A Tour of the World A Tour of the Book <u>Grossly Distorted Picture</u>	Chapter 1 Chapter 2 <i>Economist</i> , 3-15-08
Jan. 21	The Goods Market John Maynard Keynes The Open Economy http://www.economist.com/blogs/graphicdetail/2012/01/daily-chart-3	Chapter 3 Handout Chapter 18-1
Jan. 28	Financial Markets	Chapter 4
Feb. 4	Goods and Financial Markets: The <i>IS-LM</i> Model The Story of Macroeconomics	Chapter 5 Chapter 25-1
Feb. 11	Review Exam 1 (2-14-13)	Chapters 1-5 Chapters 1-5
Feb. 18	The Labor Market Article 1 (2-19-13) The <i>AS-AD</i> Model	Chapter 6 Chapter 7
Feb. 25	The <i>AS-AD</i> Model Phillips Curve, NR of Unemployment, and Inflation <u>A natural choice</u> (theodicy) Flexicurity http://csis.org/files/media/csis/pubs/future_watch_10-06.pdf	Chapter 7 Chapter 8 <i>Economist</i> , 10-14-06
March 4	Spring Break	
March 11	The Crisis	Chapter 9
March 18	The Story of Macroeconomics Rational Expectations The Facts of Growth	Chapter 25-2&3 p. 367 Chapter 10
March 25	Review Exam 2 (3-28-13)	Chapters 6-10 Chapters 6-10
April 1	Article 2 (4-02-13) Technological Progress Epilogue: The Story of Macroeconomics	Chapter 13 Chapter 25-4&5

April 8	Should Policy Makers Be Constrained? Fiscal Policy: A Summing up A Natural Experiment	Chapter 22 Chapter 23 <i>JEP</i> , Fall 2005, 145-150
April 15	Monetary Policy: A Summing up Review Article 3 (4-18-13)	Chapter 24 Chapters 13, 23-25
April 22	Exam 3 (4-23-13) Review	Chapters 13, 22-25 Chapters 5, 8-9, 22-23
May 2	Final Exam (8:30 AM)	Chapters 5, 8-9, 22-23

You are responsible for following the rules stated on the syllabus

The syllabus is subject to change

http://topics.nytimes.com/topics/reference/timestopics/subjects/n/national_debt_us/index.html