

Moravian College
Department of Economics and Business
Economics 226: Intermediate Macroeconomics
Spring 2014 (T R 1:10–2:20)

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Office Hours: T R 4:00-5:30 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 10%; 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. I will drop the lowest one. Specific instructions along with an example appear on *Blackboard*.

There are three **exams**, each one covering four or 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. **Calculators** are allowed.

Exam dates:

Exam 1:	February 13 (Thursday)
Exam 2:	March 27 (Thursday)
Exam 3:	April 22 (Tuesday)
Final Exam:	April 30, 8:30 AM (Wednesday)

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 graded materials (HW, reading assignments, and exams) until you receive your final grade—especially those that you may revise.

Expectations: Some of you will find macroeconomics challenging, but all of you can earn a good grade. 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!

	Time per week	Hours in 14 weeks
In-class time		34
Syllabus review		1
Reading text	4	56
HW	3	42
Reading <i>The Wall Street Journal</i>	1	14
Reading Assignments		14
Regression Assignments		12
Evening Reviews		4
Final Exam		<u>3</u>
Total		180

Grade:	Homework.....	10.0%
	Articles.....	5.0%
	Regressions.....	8.0%
	Three exams.....	77.0%

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 and presenting it as your own work is still plagiarism.

If you are lifting phrases (three consecutive 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 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:

Week of:	Topics	Text
Jan. 13	A Tour of the World http://iuwest.wordpress.com/2011/12/15/coping-with-crisis/ A Tour of the Book Grossly distorted picture	Chapter 1 Chapter 2 <i>Economist</i> , 3-15-08
Jan. 20	The Goods Market John Maynard Keynes http://www.economist.com/content/big-mac-index	Chapter 3 Handout
Jan. 27	Financial Markets	Chapter 4
Feb. 3	Goods and Financial Markets: The <i>IS-LM</i> Model The Story of Macroeconomics Some "Supply-Side" Propositions	Chapter 5 Chapter 25-1 Herbert Stein
Feb. 10	Review Exam 1 (2-13-14)	Chapters 1-5 Chapters 1-5
Feb. 17	The Labor Market Article 1 (2-18-14) The <i>AS-AD</i> Model	Chapter 6 Chapter 7
Feb. 24	The <i>AS-AD</i> Model Phillips Curve, NR of Unemployment, and Inflation Flexicurity http://csis.org/files/media/csis/pubs/future_watch_10-06.pdf	Chapter 7 Chapter 8

March 3	Spring Break	
March 10	The Crisis	Chapter 9
March 17	The Story of Macroeconomics Rational Expectations The Facts of Growth	Chapter 25-2&3 p. 367 Chapter 10
March 24	Review Exam 2 (3-27-14)	Chapters 6-10 Chapters 6-10
March 31	Article 2 (4-01-14) Epilogue: The Story of Macroeconomics Should Policy Makers Be Constrained?	Chapter 25-4&5 Chapter 22
April 7	Fiscal Policy: A Summing up A Natural Experiment	Chapter 23 <i>JEP</i> , Fall 2005, 145-150
April 14	Monetary Policy: A Summing up Review Article 3 (4-17-14)	Chapter 24 Chapters 22-25
April 21	Exam 3 (4-22-14) Review	Chapters 22-25 Chapters 5, 8-9, 22-23
April 30	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
(January 13, 2014)

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