

Intermediate Macroeconomics
E322: Spring 2012
Department of Economics - Indiana University
SYLLABUS

Professor:	Dr. Amanda M Michaud
Contact:	E-mail: ammichau@indiana.edu (I respond within 2 business days) Phone: 812.856.1238
Office Hour:	Wylie Hall 205, Thursday: 1:00pm-2:00pm
Lecture:	Wylie Hall 015, Tuesday/Thursday: 8:00am-9:15am
Course Website:	oncourse.iu.edu

Course Description: The topic of the course is the modern treatment of macroeconomics. We will use model economies to provide structure to isolate and better understand theories of macroeconomic outcomes. Students who successfully meet the course objectives will be equipped to critique discourse related to the Macroeconomy in a rigorous way.

The treatment will include presentation of empirical, theoretical and philosophical dimensions of several topics, including:

1. Controversies and challenges in macroeconomics.
2. Measurement of the macroeconomy.
3. Determinants of economic growth.
4. Equilibria in model economies populated by consumers and firms.
5. Theories of business cycles (recessions and booms).
6. The role of monetary policy.
7. Applications: using agent-based economies to investigate various topics in macroeconomics.

Prerequisites: Students are expected to have a working knowledge of calculus and algebra, as well as basic understanding of fundamental microeconomic theory.

Required Text:

WILLIAMSON, S. D. (2010): *Macroeconomics*. Addison-Wesley, 4th ed. **ISBN: 0-131-36873-7**.

Both the hard copy and electronic versions are acceptable. Alternative sources such as notes, articles and other useful texts will be posted on the OnCourse website.

IMPORTANT NOTE: Lectures and text readings are complements, not substitutes. Attending lecture and completing course readings are equally crucial to maximize students' learning.

Course Requirements

To be completed within the FIRST TWO WEEKS OF THE SEMESTER: (1) Students are required to read and conform to the information contained in this syllabus. If any information is unclear, students must seek clarification from the Professor within the first two weeks of the semester. (2) Students requiring an accommodation based on a disability, religious holiday, or final exam schedule conflict must inform the Professor within the first two weeks of semester.

Problem Sets: Several problem sets will be assigned. They are used to aid students in learning how to apply tools covered in the class. While grading assignments provides incentive to complete them, I find it does little to advance students' learning. As a result, problem sets will not be graded.

Quizzes: Unannounced quizzes will be given randomly at the start of class throughout the semester. They will consist of one question similar to the assigned problem sets. These quizzes are designed to provide your Professor with useful feedback on students' understanding. They also provide incentive for class attendance and completion of problem sets.

Exams: One midterm will be given in class on February 28. One final will be given at 10:15 a.m.-12:15 p.m. on Thursday, May 2. There are no make-up exams.

Calculation of Course Grades:

	Scheme 1	Scheme 2
Top 5 Quiz Scores	20	20
Midterm	30	15
Final	50	65

I will give you the maximum grade under these two schemes. *However, if a student is absent for the Midterm, the final exam will be weighted at 80%* Students seeking reappraisal of an exam must submit the exam and a brief note outlining the reason(s) why they would like their exams to be reappraised. This must be submitted to your professor within 7 days of receiving the graded exam. Upon receipt, the entire exam will be reviewed and may result in an increase or a decrease of the exam grade.

Additional Remarks: Students are permitted (and encouraged) to discuss macroeconomics, including answers to problem sets. However, Academic Dishonesty in the form of cheating or otherwise, will not be tolerated. In accordance with the policy outlined in the IU Academic Handbook with regard to cheating and academic misconduct, a grade of zero will be given to any exam on which a student is guilty of cheating, and the incident will be reported to the Dean of Students' Office. See, "Section 6 Cheating and Plagiarism" of the website:

https://www.indiana.edu/~vpfaa/academichandbook/index.php/3._Admissions_and_Instructional_Policies#CHEATING_AND_PLAGIARISM

An incomplete will only be given for the specific reasons outlined in:

https://www.indiana.edu/~vpfaa/academicguide/index.php/H._Instructional_Responsibilities#Grade_of_.22I.22

Course Outline: The following is the tentative course outline. Some topics may be expanded or omitted to maximize students' understanding and appeal to students' interests.

1. INTRODUCTION and MEASUREMENT ISSUES

- (a) Introduction, Ch. 1
- (b) Measurement, Ch. 2
- (c) Business Cycle Measurement, Ch. 3

2. ONE-PERIOD MODEL

- (a) Consumer and Firm Behavior, Ch. 4
- (b) Closed-Economy Model, Ch. 5

3. ECONOMIC GROWTH

- (a) Economic Growth: Malthus and Solow, Ch. 6

4. TWO-PERIOD MODEL BUSINESS CYCLES

- (a) Consumption/Savings Decision, Ch. 8
- (b) Credit Market Imperfections, Ch. 9
- (c) Investment, Ch. 10

5. MONEY AND BUSINESS CYCLES

- (a) Money, Banking, Prices and Monetary Policy, Ch. 11
- (b) Market-Clearing Models of Business Cycle, Ch. 12

6. TOPICS IN MACROECONOMICS

- (a) Unemployment, Ch. 17