

Brown University
Department of Economics
Spring 2015
ECON 1210-S03 Intermediate Macroeconomics
Course Syllabus

Course Logistics:

Lecture times: Mondays, Wednesdays, Fridays 9:00-9:50am

Lectures location: Building for Environ. Research and Teaching 015 (85 Waterman St.)

Section times and location: Tuesdays 9:00-9:50am at List Art Building 210 **or**
Tuesdays 6:00-7:00pm at Wilson Hall 103

Course Instructor: Dimitra Politi

Office hour: Mondays 1-2pm (and by appointment)

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Teaching Assistant: Aurora Ramirez Alvarez

Office hour and location: Fridays 10-11 (and by appointment) at Robinson Hall Basement

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Course Description

Econ 1210 is an Intermediate Macroeconomics course. We will focus on traditional measures of macroeconomic performance such as unemployment, inflation, interest rates, and the role of expectations in the economy. We will build a basic framework to look at short-, medium-, and long-run determinants of income in a closed and open economy. We will discuss the role of physical and human capital, productivity, technology, and institutions in shaping cross-country differences in living standards and growth rates. Throughout the course we will study the role and impact of government policy on economic performance, and we will use the tools we develop in order to analyze current macroeconomic events.

Aims and Objectives

This course aims to deepen students' understanding of the economy as a whole. By the end of the semester students will be better equipped to understand macroeconomic events, to approach opinions and debates on policy critically, and to conduct broad cross-country economic comparisons. Students will also learn some basic facts and numbers about the current macroeconomic situation in the US and other major economies, and will develop tools to collect, analyze, and interpret macroeconomic data.

Course Prerequisites

ECON 0110 and MATH 0060, 0070, 0090, 0100, 0170, 0180, 0190, 0200, or 0350; or advanced placement (see <http://www.brown.edu/Departments/Economics/ugrad/placement.php>).

Course Organization

There are 3 weekly lectures and 1 weekly section meeting (starting on week 3). Lecture slides will be available ahead of the lecture on Canvas. There will be 8 problem sets, due on Tuesdays in section. Solutions to problem sets will be posted on Canvas on the following Wednesday. There will be a total of 10 section meetings, 8 of them to go over problem sets, and 2 of them (on March 10th and April 7th) to help you prepare for the two midterm exams. Please check Canvas for additional readings, as well as course-related announcements during the course of the semester.

Readings and learning resources:

The main textbook for this course is "Macroeconomics" by Olivier Blanchard and David R. Johnson, 6th edition. For the lectures from week 11 onwards (see lectures outline) we will also draw from David N. Weil's "Economic Growth", 3rd edition (DW). There are 3 reserved copies of "Economic Growth" available at Rockefeller Library. Additional readings (newspaper articles, papers, etc) will be made available on Canvas during the course of the semester.

Class exams, Assessment, and Grading

There are two midterm exams and one final exam in this class. The exam dates are:

1. Midterm I: Wednesday March 11th 2015, during class time.
2. Midterm II: Wednesday April 8th 2015, during class time.
3. Final exam: Thursday May 7th 2015 at 2pm, exam group 02.

Assessment is based on your performance in Midterm I (30% of final grade), Midterm II (20% of final grade), the final exam (30% of final grade), the 8 problem sets (16% of final grade), and class participation (4% of final grade). Class participation is assessed by the quality, not the quantity of your commentary. Quality consists of showing intelligence and being responsive to questions in class.

Lectures outline

Week 1: Introduction (ch. 1 and math refresher)

Weeks 2-4: The economy in the short-run (ch.2-5)

Weeks 4-6: The economy in the medium-run (ch. 6-8)

Weeks 6-8: The role of expectations in the macroeconomy (ch. 14-17)

Week 9: The Crisis (ch. 9)

Weeks 9-11: The Open Economy (ch. 18-21)

Week 11-12: The economy in the long-run (ch. 10-12, and DW ch. 2, 6-7, 12, 14, 15)

Week 13: Further topics in Macroeconomics (ch. 13, 22-25, and DW ch.13)

Rules, advice, and class etiquette (aka The 10 Commandments of Econ 1210)

1. Lecture attendance is not compulsory. That said, the slides are not a substitute for attendance, and **you will be responsible for all the material covered in lectures**, whether it is on the slides or not.
2. Lecture attendance is not compulsory, so please do not interrupt class by leaving unless it is an emergency.
3. Silence cell phones during the lecture.
4. If you cannot make it to section, please drop your problem set into the course box in Robinson Hall basement **by 10:50am on Tuesday**.
5. Late problem sets are not accepted, unless a previously arranged extension is granted.
6. If you need any accommodations, as a result of a documented disability, you must register with the Student and Employee Accessibility Services (SEAS) in the beginning of the semester.
7. If you are excused from taking either midterm, its weight in your assessment will be transferred to the final exam.
8. Absences from the final exam will only be granted for serious family and medical emergencies, and the request **must** be accompanied by a letter from the Dean. No alternate arrangements will be made.
9. If you disagree with your grade in an assignment/exam, you may submit it for review **within 7 days** of having the assignment/exam returned to you. Your request **must** be made in writing, be attached to the exam, and provide a clear description of what the problem is and why you think a different grade is warranted. By requesting a review you understand and accept that the whole exam will be re-graded, not just the part identified in your request.
10. By taking this course, you explicitly pledge that you will not cheat or help others to cheat in any way during the exams. Any violations will result in an NC, and will be reported to the Dean.

Tentative class schedule (subject to change)

Week 1	
Jan 21 st	Course description and Introduction: A tour of the world (ch.1)
Jan 23 rd	Math refresher (Appendix 2)
Week 2	
Jan 26 th	Output, Unemployment and Inflation at a glance (ch. 2)
Jan 28 th	The goods market (ch. 3)
Jan 30 th	The goods market (continued), Financial markets (ch.4)
Week 3: TA Sections start, Problem set 1 due on Tuesday	
Feb 2 nd	Financial markets (continued)
Feb 4 th	Equilibrium in the short-run: the IS-LM model (ch. 5)
Feb 6 th	The IS-LM model (continued)
Week 4: Problem set 2 due on Tuesday	

Feb 9 th	The IS-LM model (continued)
Feb 11 th	The labor market (ch. 6)
Feb 13 th	The labor market (continued), Equilibrium in the medium run: the AS-AD model (ch. 7)
Week 5: No TA section this week, no class on Monday (Presidents' Day long weekend)	
Feb 18 th	The AS-AD model (continued)
Feb 20 th	The AS-AD model (continued)
Week 6: Problem set 3 due on Tuesday	
Feb 23 rd	The AS-AD model (continued), Unemployment, Inflation and the Phillips curve (ch. 8)
Feb 25 th	Unemployment, Inflation and the Phillips curve (continued)
Feb 27 th	Expectations: basic tools (ch. 14)
Week 7: Problem set 4 due on Tuesday	
Mar 2 nd	Expectations: basic tools (continued), Financial markets and expectations (ch.15)
Mar 4 th	Financial markets and expectations (continued)
Mar 6 th	Expectations, consumption, and investment (ch. 16)
Week 8: Midterm prep during TA section on Tuesday	
Mar 9 th	Expectations, consumption, and investment (continued), Expectations, output and policy (ch. 17)
Mar 11 th	MIDTERM I (ch. 1-8)
Mar 13 th	Expectations, output and policy (continued)
Week 9: Problem set 5 due on Tuesday	
Mar 16 th	The Crisis (ch. 9)
Mar 18 th	The Crisis (continued)
Mar 20 th	Openness in Goods and Financial markets (ch. 18)
March 21st-29th SPRING BREAK, WHOO HOO!	
Week 10: Problem set 6 due on Tuesday	
Mar 30 th	Openness in Goods and Financial markets (continued), Equilibrium in an open economy (ch. 19)
Apr 1 st	Equilibrium in an open economy (continued)
Apr 3 rd	Output, the Interest rate, and the Exchange rate (ch.20)
Week 11: Midterm prep during TA section on Tuesday	
Apr 6 th	Output, the Interest rate, and the Exchange rate (continued), Exchange rate regimes (ch. 21)
Apr 8 th	MIDTERM II (ch. 9 and 14-17)
Apr 10 th	The economy in the long run: economic growth and cross-country income differences
Week 12: Problem set 7 due on Tuesday	
Apr 13 th	Determinants of income levels: the role physical capital, human capital, and productivity
Apr 15 th	Growth and Development accounting
Apr 17 th	Institutions: government, culture, and geography

Week 13: Last TA section, problem set 8 due on Tuesday	
Apr 20 th	Inequality
Apr 22 nd	Conclusions: history of Macroeconomics, and the role of economic policy
May 7th	FINAL EXAM, 2pm, EXAM GROUP 02 (everything from March 20th onwards)