

Spring 2015

ECONOMICS 210D: INTERMEDIATE MACROECONOMICS

Administrative Details

Instructor: Professor K.D. Hoover

Lecture: 10:05-11:20 AM Monday and Wednesday, Social Science 139

Section (mandatory): Attend your registered section.

Office: 231 Social Sciences Building

E-mail: kd.hoover@duke.edu

Web Page: <http://econ.duke.edu/~kdh9/Courses/Econ 210D/210D.htm>

Office Hours: By appointment. Arrange an appointment either after class or by e-mail.

Prerequisites

Economics 201D, and Mathematics 202 or Mathematics 212 or Mathematics 222.

Economics 205D is also required as a prerequisite or a co-requisite to be taken concurrently with Econ 210D. *If you do not fulfill the prerequisites you should not be enrolled in this course.*

Required Work and Grading

There are *three required graded parts to the course*. 1. *Two midterm examinations* 2. *A final examination*. (Examinations are based on the content of the lectures and the reading and may also assume knowledge based on homework.) 3. *Homework exercises*, including problems from the textbook and empirical exercises. Homework is worth 20% of the final grade. The midterms and final examination are together worth 80% of the final grade according to the following scheme: the final is comprehensive; if the midterms are better than the final, the midterms together count 40% and the final counts 40%; but if the final is better than the midterms, only the final grade counts 80%. Each part will be graded on an 125 point scale (explained below). The scores on the different parts will be normalized (common mean and standard deviation) and averaged. The final grade will be curved to approximate the typical departmental distribution (roughly 15-20% A's; 40-45% B's; 30-40% C's and 5-10% D's and F's). The parts are described in more detail below.

Grades will be given on a 125-point scale:

- 125 = exceptional answer beyond the highest expectations (practically, better than the answer key)
- 100 = excellent: correct and effort well beyond the minimum
- 75 = acceptable: generally good with only minor errors
- 50 = poor: seriously attempted the work but with major errors
- 25 = extremely poor: less than acceptable effort and/or fatal errors
- 0 = no gradeable work

How these grades translate into letter grades depends on the curve as described above.

Policy on regrades: A student who disagrees with homework or midterm grades may submit his or her work for regrading by giving it to me with a *written* statement that refers to the answer key explaining what is wrong with grading. The whole homework or examination will then be regraded. All errors in grading – positive or negative will be corrected. All requests for regrades must be submitted within one week of the section in which your homework is first returned (whether or not you or there to pick it up).

Academic Ethics

I will hold you to strict standards of academic ethics. If you have any questions about whether work you do for this class is in conformity with Duke's standards of academic ethics, see me before turning such work in.

I encourage students to discuss economics and the class material together, to help each other in solving problems in coming to understand the material. Nevertheless, work submitted for a grade must ultimately be the work of the individual student – not copied from another student or from any other source. *In particular, you may not copy any homework directly from another student's work on paper or electronically. Your work is to be your own – not a group effort. Thus, while you may discuss the work in general or particular problems that you are having, in the end each student must complete the assignments individually. You may not copy any material used in this class in earlier semesters (be warned, that sort of copying is especially easy to detect and in any case data changes over time). In any work using outside sources quotations must be properly indicated (e.g., by quotation marks) and sources of information and ideas that are beyond the commonplace properly documented.* My policy is to refer all cases of academic dishonesty to the Duke judicial authorities. So, Don't Cheat.

Reading

Required Reading: Kevin D. Hoover, *Applied Intermediate Macroeconomics* (Cambridge University Press.)

In addition, I strongly urge students to keep up with current economic events by reading some combination of: *The Wall Street Journal*, *The Economist* (London), *The*

New York Times. All of these are available in print and online, and student subscriptions at good rates are available. I may, from time to time, distribute supplementary readings as well. Another good source of topical economic analysis are the popular publications of the Federal Reserve. Every one of the twelve Federal Reserve banks has a variety of free publications aimed at wider audiences. Some of these are available in the library. Two particularly useful ones to students are the *Federal Reserve Bank of San Francisco Economic Letter* (available online *free*; go to <http://www.frbsf.org/economic-research/publications/economic-letter/> and The Federal Reserve Bank of Cleveland Economic Commentary (available online *free* <https://www.clevelandfed.org/en/Newsroom%20and%20Events/Publications/Economic%20Commentary>). Both publications provide short, popular discussions of topical economic issues weekly. They are well worth your trouble the trouble of subscribing.

*Part 1. Lectures and Examinations***Tentative Schedule of Lectures and Midterm Examinations**

Lecture			
1	January	7	Topic I. <i>National Accounts</i> chs. 1-4 (a lot to read – read it all, but emphasize chs. 2 and 4)
2		12	“ ”
3		14	“ ”
4		21	Topic II. <i>Trends and Cycles</i> ch. 5
5		26	Topic III. <i>Financial Markets</i> chs. 6-7
6		28	“ ”
7	February	2	“ ”
8		4	“ ”
9		9	“ ”
10		11	“ ”
11		16	Midterm I
12		18	Topic IV. <i>Long-term Growth</i> chs. 9-10
13		23	“ ”
14		25	“ ”
15	March	2	“ ”
16		4	Topic V. <i>Labor and Unemployment</i> chs. 11 and 12
			Spring Break 6-15 March
17		16	“ ”
18		18	“ ”
19		23	Topic VI. <i>Aggregate Demand</i> ch. 13
20		25	“ ”
21		30	“ ”
22	April	1	Midterm II
23		6	Topic VII. <i>Macroeconomic Dynamics: Cyclical Growth and Inflation</i> ch. 15
24		8	“ ”
25		13	“ ”
26		15	Topic VIII. <i>Monetary and Fiscal Policy</i> chs. 17 and 18
27		20	“ ”
28		22	“ ”

Readings for each topic indicated by chapter number in the course textbook. The schedule of lectures is tentative and may well change depending on how things go; the schedule of examinations, however, is firmer. Midterm dates are not likely to be changed; and if they are, there will be adequate advanced notice.

The examinations will primarily cover the material in the lectures and assigned readings, but may also refer to things you might have been expected to learn from homework as well. The examination will consist of a choice of short essays and/or problems. Some of the problems will refer to current economics events (it is part of the course that you keep well informed). The time and date of the final examination are known in advance; they will not be rearranged. Students with an officially certified need for special accommodation should contact me early in the quarter so that I can make advanced arrangements.

Calculators are essential for the examinations. You may use simple calculators only. Calculators with massive memory, graphic capability, or the ability to communicate with other devices are not allowed. No cellphones may be used in class or examinations ever. If in doubt check with me well ahead of the examination. I will not supply calculators or other test-taking materials during the examinations. Come prepared.

Bluebooks are required. (Engineering bluebooks, which are large and have graph paper pages, are best.).

Part 2. Homework

There will be weekly homework assignments. Assignments will be posted on the course website. Sections are not optional but an integral part of part of this course. **Homework will be turned in only in class on the assigned day and returned only during section.**