

"The purpose of economics is not to acquire a set of readymade answers to economic questions, but to learn how to avoid being deceived by economists." Joan Robinson, 1955

Macroeconomic Theory

ECO f320L (79465) summer 2020 MWF 10 – 10:50 (Zoom)

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Zoom office hours: MT 3:30 to 5, or by appointment

Description

This course builds on the material presented in Introduction to Macroeconomics (ECO 304L). Major theoretical concepts, analysis tools, and empirical regularities are explored in the context of issues facing the United States and other economies.

By the end of the course, students should be able to address three sets of questions. (1) What determines the performance of an economy (e.g., its growth rate, its unemployment rate)? (2) In what ways are macroeconomies adjusting to technological innovations? (3) What are the principle similarities and peculiarities among 21st century macroeconomies?

The prerequisite for this course is ECO 420K. If your transcript does not show credit for ECO 420K, with a grade of “C minus” or better

you will be dropped from this course;

you are advised to adjust your schedule now

(no economics courses may be added after the fourth class meeting).

Materials & Meetings

The required text is *Macroeconomics*, 2nd Edition, by Frederic Mishkin (© 2015).

Additional materials will be placed on Canvas.

Synchronous class meetings will occur via Zoom (through Canvas) beginning on Friday, 5 June (10 to 10:50am CDT) and most MWF thereafter through Wednesday, 8 July. Please make every effort to join these meetings. All meetings will be recorded and posted along with relevant materials on Canvas. Recorded asynchronous lectures will be posted on Canvas, also. To accommodate quizzes and exams, synchronous class meetings will not occur on 8 June, 12 June, 22 June, 29 June, and 6 July.

Expectations

Lectures consist primarily of extensions and applications of topics in the Mishkin text. I will alert the class to common errors and easily overlooked subtleties. To learn macroeconomics, you must take an active role. Your tasks include reading the assigned chapters, joining synchronous meetings (as much as possible), and viewing recorded lectures.

As you identify concepts and procedures you find unclear, please give me opportunity to help. To encourage active learning, there will be three quizzes posted on Canvas, which will serve as diagnostic “pre-tests,” revealing to what extent you are prepared to perform well on exams, and where you might need additional efforts and/or help.

Office hours will be accessed via Zoom. Do not hesitate to request a Zoom meeting at whatever day/time is best for you.

Please let me know immediately if you have any problem that is preventing you from performing satisfactorily in this class. Any student with a documented disability who requires academic accommodations should contact Services for Students with Disabilities (SSD) at <http://ddcetest.info/disability/contact-us/>.

Exams and Grading

There will be three mid-term exams and a comprehensive final exam (dates are provided below). Final grades will be based on the three highest exam scores; if you are satisfied with your scores on the mid-term exams, you need not take the final exam.

Weights used to calculate final grades

quizzes	10%
mid-term exams	30% x 3, or 25% x 2
final exam (optional)	40%

Each student will receive 10/3 points per quiz. Quiz answer keys will be posted on Canvas within 48 hours of the quiz itself.

The final exam score is included in the grade computation only if doing so raises your grade. If so, the final exam is weighted 40%, and the two highest mid-term scores are weighted 25% each.

Exams are based on class lectures. Familiarity with Mishkin's coverage of the material is required to understand the lectures and to perform well on exams. Exam questions involve graphs, algebra, and economic logic (cause & effect). Grades on each exam are curved up to a class average of 70%. (If the class average is not below 70%, the curve is zero points.)

See below for dates of exam posting and when answers are due. If you are able and so inclined, you may collaborate with others while devising your answers. You are expected to uphold the highest standards of academic integrity: each answer you submit must be genuinely your own.

As a convenience, grades are posted on Canvas. **The numbers on Canvas do not supersede grading policies as expressed in this syllabus.** For example, the curve on each exam will be announced in class meetings and applied in determining the grades reported to the Registrar.

93 to 100	A
90 to 92	A-
87 to 89	B+

Conversion of score
to letter grade:

83 to 86	B
80 to 82	B-
75 to 79	C+
65 to 74	C
60 to 64	C-
50 to 59	D
0 to 49	F

Topics, Readings, and Dates

I. The Great Moderation.

A. The "V" is gone.

Chapters 8, 9, 10, 16, 17

OPTIONAL READING

Wynne, Mark A. 2011. "The sluggish recovery from the Great Recession: Why there is no 'V' rebound this time." *Federal Reserve Bank of Dallas economic letter* 6:9. 1-4.

B. The long run ain't what it used to be.

Chapters 3, 6, 7

OPTIONAL READING

Del Negro, Marco, Domenico Giannone, Marc P. Gianonni, and Andrea Tambalotti. 2019. "Global trends in interest rates." *Journal of international economics* 118. 248-262.

Quiz 1, 8 June

***EXAM ONE

posted Thursday, 11 June; due by 11:59pm CDT on 14 June***

II. This unbalanced world.

A. Is there enough money in the world?

Chapters 4, 18

OPTIONAL READING

Kitchen, John and Menzie Chinn. 2011. "Financing US debt: Is there enough money in the world -- and at what cost?" *International finance* 14:3. 373-413.

B. Import-led growth.

Chapters 5, 10 through 13

Quiz 2, 16 June

***EXAM TWO

posted Monday, 22 June; due by 11:59pm CDT on 23 June***

III. The frivolity economy.

Chapters 19, 20

A. Offshoring vs. reskilling.

OPTIONAL READING

Cheremukhin, Anton. 2014. "Middle-skill jobs lost in U.S. labor market polarization." *Federal Reserve Bank of Dallas economic letter* 9:5. 1-4.

B. Growth, saving, and resilience.

OPTIONAL READING

Crump, Richard K., Stefano Eusepi, Marc Giannoni, and Aysegul Sahin. 2019. "A unified approach to measuring u^* ." *Federal reserve bank of New York staff reports*. 889 (May). 76pp.

Quiz 3, 29 June

***EXAM THREE

posted Friday, 3 July; due by 11:59pm CDT on, 6 July***

***FINAL EXAM (optional)

posted Friday, 10 July; due on 13 July***