

Intermediate Macroeconomics (ECO 3203 002)

Instructor Information:

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Office Hours:
Mon-Wed @ 2:30 - 3:30pm
(Sign up on Canvas)

Course Information:

Lectures: CMC204, Mon-Wed @ 12:30 - 1:45pm

Credits Hours: 3

Description: "Determination of income, employment, prices, and interest rates. Aggregate demand and aggregate supply."

The main goal of this course is to provide students with critical perspective of macroeconomic events and tools to understand and propose macroeconomic policies. We use a modern approach where aggregate variables are determined by individual behavior (microeconomic based). The course is divided in three broad parts: economic growth, labor and capital. Economic growth relates to the long-run trend of aggregate production, whereas aggregate labor and capital help us to understand the business cycles.

Course prerequisites: ECO 2013 and ECO 3101 or ECP 3703

Text: Williamson, Stephen, Macroeconomics, 6 ed. Boston, MA: Pearson, 2018) **Required**

Website: Lectures notes and assignments will be available for students on [Canvas](#). Check the website regularly for updates and announcements.

Evaluation: The final grade will be composed by weekly online quizzes (10%), 6 problem sets (5% each) and three mid-term exams (20% each).

- 1. Quizzes:** Quizzes are to be taken online. However, I may reserve class time to allow students to work on quizzes together. 4 lowest scores are dropped.
- 2. Problem sets:** All problem sets are to be turned in class in the day it is due. Students are allowed and encouraged to work in **groups of up to 4 students**. Late assignments receive no credit. The problem set with lowest scores will be dropped.

3. **Midterms:** In-term exams are in-class individual exams. They cover the material taught after the previous midterm. A tentative schedule of midterms is available below.
4. **Final Exam:** The final exam is scheduled on Wednesday, December 11th from 10am to 12pm. Students who missed and properly justified one of the midterms can use the final exam as a make-up exam. Students who took all mid-term exams can use the final exam to replace the lowest score. The final exam is comprehensive.
5. **Grading:** The following cutoffs will be used for the letter grades:
- | | | | | | |
|---------------|----------------|---------------|--------------|----------------|---------------|
| A \geq 83 % | A- \geq 80% | B+ \geq 77% | B \geq 73% | B- \geq 70 % | C+ \geq 67% |
| C \geq 63 % | C- \geq 60 % | D+ \geq 57% | D \geq 53% | D- \geq 50 % | |

Policies:

Missed exams:

1. *One excused absence:* Students must provide proper documentation to justify their absence. Either a make-up exam will be arranged or the missed exam will be excluded from the work average (being the weight equally distributed among the other midterms). Alternatively, the final exam can be used to replace the missed exam. The student and the instructor will agree on the best arrangement.
2. *More than one excused absence:* Missing more than one midterm exam is considered excessive absence. In this case, students must seek for academic advice. The instructor reserves the right to pursue no further arrangements.
3. *Unexcused absence:* If the student fails to provide proper documentation to justify the absence, the student will be granted zero in that exam. Students **cannot** replace unjustified missed exams using the final exam.

E-mail: The instructor will reply to students email once a day (late afternoon), except on weekends. Therefore, students must expect emails to be replied within 24 hours.

Recording: Students are not allowed to audio or video tape lectures.

Other Policies about disability access, religious observances, academic grievances, academic misconduct, and several other topics are governed by a central set of policies, which apply to all classes at USF: <https://www.usf.edu/provost/faculty-info/core-syllabus-policy-statements.aspx>

Tentative Outline:

Part 1: Growth Theory – Chapters 1, 2, 7, 8

- Introduction (08/26)
- Measuring aggregate economic activity (08/28, 09/04)
- **Homework 1 - Due on 09/09**
- Aggregate production function (09/09)
- Solow growth model (09/11, 09/16, 09/18)
- **Homework 2 - Due on 09/23**
- Review (09/23)
- **Midterm (09/25)**

Part 2: Labor Market – Chapters 4, 5

- Firm's problem (09/30)
- Utility function and the allocation on time (10/02, 10/07)
- **Homework 3 - Due on 10/09**
- Labor income tax (10/09)
- One-period macroeconomic model (10/14)
- Fiscal policy (10/16, 10/21)
- **Homework 4 - Due on 10/23**
- Review (10/23)
- **Midterm (10/28)**

Part 3: Capital Market and RBC – Chapters 3, 9, 10, 11

- Household's intertemporal choice (10/30, 11/04, 11/06)
- Capital income tax (11/13)
- **Homework 5 - Due on 11/18**
- Tax cut and Ricardian equivalence (11/18)
- Social Security (11/20)

- Review (11/25)
- **Midterm 3 (11/27)**
- Business cycle measurement and RBC model (12/02)
- Monetary policy (12/04)
- **Homework 6 - Due on 12/11**