

Intermediate Macroeconomics
Econ 212 – 10A
Oxford College of Emory University
Spring 2010

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Office Hours

MWF: 11:30 – 12:30

TuTh: 10:00-11:00 or by appointment

Textbook

Required: N. Gregory Mankiw, *Macroeconomics*, seventh edition, Worth Publishers, 2010 & Aplia access. (Please, take a look at buying options for the book and Aplia at the end of this Syllabus)

Recommended:

1. www.wothpublishers.com/mankiw on-line resource site with tutorials and on-line quick quizzes on each chapter.
2. <http://www.economist.com/> *The Economist*, the business news weekly published in Great Britain that covers the globe, is of a high quality, and is widely read. I personally believe everybody should glance through *The Economist* every week. It is an excellent news source with well-written articles on a wide range of topics. Arguments are well organized and supported with evidence. (For an interesting exercise, compare it with the articles in *Time* or *Newsweek*.)

Overview of the course

This course examines the functioning of the aggregate economy, including the determinants of long-run growth and the nature of the business cycle. A major goal is to introduce the student to the dominant classical and Keynesian models through which macroeconomic behavior and policy can be analyzed. More specifically, we will use the framework developed in the course to analyze economic growth, productivity, full employment, and price stability in national economies. Attention will also be devoted to international economic issues, like international trade and international finance. Relevant events from the real world will be discussed.

Prerequisites: Econ 101, Econ 112 or permission of instructor.

Grading and Tests

Exam I: 25%, Feb 24th

Exam II: 25%, March 29th

Final: 25%, comprehensive, Friday, April 30, 9:00 – 12:00

Homework: 15%

Debate 5%

Project 5%

Bonus points: other assignments (news presentation, quick quizzes, participation, attendance (up to 5%))

There are no make-ups for any of your assignments or exams. One missing HW will not be counted towards your grade or lowest HW score will be dropped.

Failure to take a test will lead to a score of zero for that test. No exception will be made except in medical emergencies where the other exams will be adjusted. Written verification is required in such cases.

Grades are not curved (60-69 is D, 70-79 is C, 80-89 is B and 90 and up is A with pluses and minuses in each range). Students may earn bonus points, however, to improve their grades. Bonus points are given for pop up or announced quizzes, active class participation, take-home assignments. Assignments will not be accepted late. You need to be in the class to submit the assignment. Homework will be assigned on weekly basis on MEL. Missed assignment can't be made-up.

Homework

Weekly problem sets will be assigned on Aplia web-site

If you have a new copy of the book there is an access code that you need to use when registering for Aplia. If you purchased used book you will need to buy on-line access to Aplia (comes with e-version of the book).

Macro Policy Debate

Students will participate in a debate on a topic of current macroeconomic interest. Specifically, two teams of 5-6 students each will take opposing sides on a question such as:

- Is the current CAD (current account deficit) in the USA a serious problem?
- Is universal health care system better than the current system in the USA?
- Should Social Security be transitioned to a system of private accounts?
- Should income taxes be lowered to stimulate the economy?
- Is more spending on infrastructure the key to economic growth?
- Does the U.S. economy benefit from foreign trade?
- Should U.S. financial markets be more regulated?
- Is offshore outsourcing negative?
- Should we fear China's economic progress?

Each side would give a short presentation of its case and have the opportunity to point out holes in the opposing side's arguments. Grades would be based on how well students demonstrated knowledge of the issues, as well as the clarity and general strength of the presentation. All students will participate in the grading of these debates. Details about format, teams and topics will be made available once drop/swap period is over.

(Video) Project

Macroeconomic Policies: Past, Present, and Future

The main goal of the project is to use real macroeconomic data and apply economic reasoning in the analysis. The project accounts for 5% of your grade and is due in the last class. The format is 10-15 min video presentation or five+ pages written report. The details about the project will be provided after drop/swap period.

Expected Student Conduct

- be on time
- participate in class discussion
- read over the assigned material before the class
- study on regular basis
- please discuss with me any problems any problems you may have in the course or any suggestions to improve the course

Honor code

Honor code is strictly enforced in this class. Examples of scholastic dishonesty include (but are not limited to) receiving or giving help on exams or homework and plagiarizing or sabotaging another student's work. The usual penalty for violations of honor code is grade F in this course.

Communication and Attendance

You are responsible for any announcements or assignments made in class.

Most of the course material will be available on Aplia: announcements, discussion boards, and homework. You are responsible for checking Aplia on regular basis.

Attendance in the class will be recorded and rewarded as a part of your extra credit. I strongly encourage you to attend class, participate in class discussions, and complete the assigned readings because it is essential for doing well in this class.

Students Athletes, Students with Accommodations and Religious Holidays

If there is an interference with your class schedule because of your athletic commitments or religious reasons, please inform your instructor a.s.a.p. Also, if you have accommodations for the class, you are expected to bring in a letter from the responsible college institution a.s.a.p.

Reading list

Students should read statistical agency's press release and/or media coverage before coming to the class. This will help earn bonus points. You are expected to come to Friday class with a macroeconomic news from the previous week. The news should be summarized and submitted at the beginning of the class. The first paragraph should be summary of the news and second paragraph your reflection/connection with the concepts you learned your economics classes. You should also expect to present the news in the class.

Tentative reading list is as follows. Weekly readings will be announced on Aplia's website.

I - Intro to Macro and Macroeconomic Data

- Week 1 Chapter 1: The Science of Macroeconomics
- Week 2 Chapter 2: The Data of Macroeconomics
- Week 3 Chapter 3: National Income: Where it Comes From and Where it Goes
- Week 4 Chapter 6: Unemployment

II-Classical Theory - Long-run Economic Performance

- Week 5 Chapter 4: Money and Inflation
- Week 6 Chapter 5: The Open Economy

III- Business Cycle – Short-run Theory

- Week 7 **Debate, round I**
Exam I
Chapter 9: Introduction to Economic Fluctuations
- Week 8 Chapter 9: continued
Chapter 10: Aggregate Demand I – IS-LM Model
- Week 9 Chapter 11: Aggregate Demand II – using IS-LM Model
Chapter 13: Aggregate Supply and the Short-run Trade-off ...
- Week 10 **Spring Break**
- Week 11 **Debate: round II**
Chapter 12: The Mundell-Fleming Model and the Exchange Rate Regime

III-Growth Theory – Very Long-run

- Week 12 **Exam II**
Chapter 7: Economic Growth I
- Week 13 Chapter 8: Economic Growth II

IV-Macroeconomic Policy

- Week 14 Chapter 15: Stabilization Policy
- Week 15 **Debate – Round III**
Government Debt and Budget Deficits
- Week 16 Catch up...
Last day of classes April 26th

April 27th Reading Day

This schedule and the course content are tentative and the instructor reserves the right to make any changes during the course as deemed necessary.

Book buying options:

1. Every new copy of the text comes with Aplia access - can be bought in a bookstore.
2. If a student purchases used copy, they can purchase access online at www.aplia.com with an e-book – see the additional sheet.