

Econ 212  
Intermediate Macroeconomics  
Spring 2004

Instructor: Frank Maddox  
318 Seney Hall  
Phone: 784-8357  
Office Hours: MWF 1:30-2:30

**Course Description:** Econ 212 applies the tools of aggregate economic analysis to problems of the performance of the national economy. An IS-LM model is developed that allows graphical and algebraic analysis of fiscal and monetary policies upon the aggregate economy. Particular emphasis is placed on the macroeconomic issues of inflation, unemployment and international economic relations.

**Course Objective;** The goal of Econ 212 is to provide an understanding of the causes of macroeconomic fluctuations in employment, inflation, and production. The course links the theories and data to enable students to assess the economic environment and its affect on individual industries and businesses.

**Method of Instruction:** The course is taught with a combination of lecture, discussions, problem sets, and examinations. Class interaction and the analysis of specific economic problems are stressed. Students will visit various Internet Websites during the semester and participate in a Learnlink conference therefore a working knowledge of both Learnlink and a web browser is necessary.

**Academic Integrity:** There is zero tolerance of any breach of academic integrity in the course. Students are expected to re-read and ask any questions about the Oxford Student Honor Code. The Honor Code will be strictly enforced in this class.

**Text Required to be Purchased by the Student:** Robert Gordon's Macroeconomics, 9<sup>th</sup> edition. Addison-Wesley, 2003.

**Examinations:** There will be two in-terms exams and a final examination. The dates assigned for the exams will not change. However the material covered on each exam may deviate from the course schedule according to progress in lectures.

**Grading Policy:** Each exam accounts for 25% of the course grade. Homework, quizzes, and papers are worth 25% of the grade. Exams and homework will be graded numerically. Your numerical average will be converted into a letter grade:

A	= 94 up to 100
A-	= 90 up to 94
B+	= 87 up to 90
B	= 84 up to 87
B-	= 80 up to 84
C+	= 77 up to 80

C	= 74 up to 77
C-	= 70 up to 74
D+	= 67 up to 70
D	= 60 up to 67
F	= 0 up to 60

Attendance Policy: Attendance is required and will be recorded each class period. One point will be deducted from the student's final numerical course grade for each absence in excess of four absences.

**Make-up examination Policy:** Make-ups will be permitted only with written support (approved by the instructor) of serious situations that preclude the student's ability to take the exam during the scheduled time.

### **Important Dates**

January 21 Drop/add period ends

February 17 - Exam I

March 10– 14 - Spring Break

March 25 - Exam II

May 5 Final Exam (9:00-12:00 )

### **Course Outline**

Week 1; January 14-16

Chapter 1 What is Macroeconomics

Week 2; January 19-23

Chapter 2 The Measurement of Income, Prices and Unemployment

Week 3; January 26-30

Chapter 3 The Keynesian Theory of Income Determination

Chapter 4. The IS-LM Model

Week 4; February 2-6

Chapter 4. (cont)

Week 5; February 9-13

Chapter 5. Monetary Policy, Fiscal Policy, and the Government Budget

Chapter 6 International Trade, Exchange Rates, and Macroeconomic Policy

Week 6; February 16-20

**Exam I- February 17- Chapters 1-6**

Chapter 7 Aggregate Demand, Aggregate Supply, and the Self-Correcting Economy

Week 7; February 23-27

Chapter 8 Inflation: Its Causes and Cures

Week 8; March 1-5

Chapter 9. The Goals of Stabilization Policy: Low Inflation and Low Unemployment

Week 8; March 8-12

SPRING BREAK

Week 9; March 15-19

Chapter 10 The Theory of Economic Growth

Chapter 11. The Big Questions of Economic Growth

Week 10; March 22-26

Chapter 12. The Government Budget, the Public Debt, and Social Security

**Exam II – March 25 Chapters 7-12**

Week 11; March 29 – April 2

Chapter 13 Money and Financial Markets

Chapter 14 Stabilization Policy in the Closed and Open Economy

Week 12; April 5-9

Chapter 15 Instability in the Private Economy: Consumption Behavior

Week 14; April 12-16

Chapter 16 Instability in the Private Economy: Investment

Week 15; April 19-23

Chapter 17 New Classical Macro Confronts New Keynesian Macro

Week 16; April 26

Review/course evaluation

**Final Exam – May 5 (9:00-12:00) Comprehensive final.**