

Intermediate Macroeconomics
Econ 212 – 11J
Oxford College of Emory University
Spring 2009

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Office Hours

MW: 11:30-12:30 p.m.

Th : 10:30-11:30 a.m. or by appointment

Textbook

Required: Andrew Abel, Ben Bernanke, and Dean Croushore, *Macroeconomics*, sixth edition, Pearson/Addison-Wesley, 2008

Subscription to MyEconLab (MEL) supporting the book.

(Please, take a look at buying options for the book and MEL at the end of the syllabus)

Recommended: *The Economist*

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. Also, relevant events from the real world will be discussed.

Prerequisites: Econ 101, 112 or permission of instructor.

Grading and Tests

Exam I: 25%, March 24th

Exam II: 25%, April 28

Homework: 20%

Debate: 15%

Project: 15%

Bonus points: other assignments, participation, attendance (up to 5%)

There are no make-ups for homework. One missing HW will not be counted towards your grade or lowest HW score will be dropped. There are no make-up assignments for quick quizzes or any other assignments.

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 MyEconLab web-site, with most of the exercises drawn from the end-of-chapter problems and exercises. (MEL terminology for the assignments is Test/Quizzes). If you have a new copy of the book there is an access code that you need to use when accessing MEL. If you purchased used book you will need to buy on-line access to MEL at www.myeconlab.com. Once you have the code, you will find the course by searching for the school and my name.

Macro Policy Debate

Students will participate in a debate on a topic of current macroeconomic interest. Specifically, two teams of two to three 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.

Project

Instead of the final exam you are assigned a project for this class. The main goal of the project is to use real macroeconomic data and apply economic reasoning in their analysis. At the end of each chapter in your book there is a section titled "Working with Macroeconomic Data" Questions are related to the chapter material and there is also help with data sources. You need to choose five questions (from at least three different chapters) find data and do what you are asked in these questions. Along with your answers/analysis you need to submit detailed information on questions, data sources and data themselves. The project is due on May 6th at 5:00.

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.

Your homework assignments will be posted on MyEconLab (MEL), an on-line product accompanying the book.

Documents related to the class such as syllabus, as well as discussions/questions will be communicated through the LearnLink conference set up for this class.

I strongly encourage you to attend class, participate in class discussions, and complete the assigned readings because it will help you towards 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 the statistical agency's press release and some of the media coverage before coming to class. This will help earn bonus points. You are expected to come to Thursday class with an econ news from the previous week. The news should be summarized in 2-3 sentences and submitted at the beginning of the class along with the sources.

Tentative reading list is as follows. Weekly readings will be announced on the LearLink conference.

I - Intro to Macro and National Income Accounting

Week 1	Chapter 1: Introduction to Macroeconomics
Week 2	Chapter 2: The Measurement and Structure of the National Economy

II-Markets and Long-run Economic Performance

Week 3	Chapter 3: Productivity, Output and Employment
Week 3	Chapter 4: Consumption, Saving and Investment
Week 4	Chapter 5: Saving and Investment in the Open Economy
Week 5	Chapter 7: The Asset Market, Money and Prices
Week 6	Feb 19, Debate, round I
Week 7	Chapter 9: The IS-LM/AD-AS Model
Week 8	Chapter 6: Economic Growth
Week 9	Spring Break

III-Short-run Fluctuations

Week 10	March 19, Debate, round II , Chapter 8: Business Cycles
Week 11	March 24th Exam I & Chapter 8
Week 12	Chapter 11: Keynesianism: The Macroeconomics of Wage and Price Rigidity

IV-Macroeconomic Policy

Week 13	Chapter 12 Unemployment and Inflation
Week 14	Chapter 13 Exchange Rates, Business Cycles, and Macroeconomic Policy in the Open Economy

V- Fed and Government – Macro Policy Institutions

Week 15	Chapter 14 Monetary Policy and the Federal System (sections) & Chapter 15 Government Spending and its Financing (sections)
Week 16	April 28th, Exam II
May 6th	Project due

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 MyEconLab access.
2. If a student purchases a used copy they can purchase access online at www.myeconlab.com. Without an eBook, the online price of MyEconLab is \$40.
3. For students who want to buy MyEconLab with an eBook in lieu of a physical book, the cost is \$70. They purchase access right at www.myeconlab.com.