

## Economics 313: Intermediate Macroeconomic Theory

Spring 2023

MCK 229, Tuesdays and Thursdays, 4:00pm to 5:50pm

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**Course Description:** This course covers the theory of the determination of aggregate output, unemployment, prices, interest rates and inflation, in the short-run and the medium-run, with applications to the U.S. economy and discussions of macroeconomic policy issues. Students will become well-informed about the current state of the U.S. economy, and will be expected to know some basic facts about U.S. macroeconomic data. Key data will be mentioned in the lectures.

**Prerequisites:** Math 111 (college level algebra) and Economics 202 (Introduction to Macroeconomics) are prerequisites for the course. Having completed Economics 311 (Intermediate Microeconomic Theory) is strongly recommended.

**Textbook:** Olivier Blanchard, Macroeconomics, Eighth Edition, Pearson, including MyLab. This can be purchased at the UO Duck Store. This is a version that provides 6 month's access to the e-text as well as an access code for MyLab, which is required for the problem sets. (The ISBN for this title with MyLab is ISBN: 9780135179277.) Old editions: The textbook changes substantially with each new edition. Use of an old edition is not recommended.

### Grading:

- Midterm Exam: 35%
- Final Exam: 40%
- Homework: 25%

The dates for the exams are as follows:

- Midterm: In class on Tuesday, May 2.
- Final Exam: Scheduled by the University at 12:30 Tuesday, June 13

**Exams:** Exams are closed book/closed notes and will require a calculator for a portion of the problems. Basic calculators will be provided for use in the midterm and final. NO SMART/CELL PHONES OR WATCHES ARE ALLOWED. As a precaution against academic dishonesty, if a student is caught using a cell phone or any other non-approved electronic device during exams, they will receive an automatic zero for the exam. If a student misses an exam for a good reason, they must notify the instructor immediately. Appeals of the midterm exam grade must be made within 1 week of its being returned: the entire exam will be considered, and the grade may be altered up or down.

**Homework and MyLab:** There will be approximately semi-weekly to weekly problem sets, counting 25% of the grade. Selected answers will be discussed in class. Some closely related problems may appear on the exams. Homework will be completed and submitted on the MyLab website. Students can use either their own computer or one of the computers in SSIL in McKenzie. Students must register for MyLab and enroll with MyLab in this course. The course id is thompson48315 To do this, they will need to have the access code, which will be included with the textbook. Students can also purchase access directly from the website. If necessary, students can obtain temporary access for 14 days. There is a penalty for late submission of homework. The lowest two problem set scores will be dropped from the course total homework score.

**Attendance:** Attendance at lectures is required, and for this reason I will take attendance during class in the form of a sign-in sheet, upon which you will be required to print and sign your name.

Students are permitted up to 5 no-excuse, no-questions-asked absences during the term, after which students will be penalized the equivalent of 5 lost points on the final exam.

**Academic Honesty:** Academic dishonesty (plagiarizing work, cheating on exams, mass distribution of course notes/slides) will not be tolerated. While lecture slides will be posted to the course website on Canvas, the instructor does not consent to having these notes mass distributed or sold to third parties (such as note-selling companies). Students should acquaint themselves with the Student Conduct Code, which is published in the Schedule of Classes each term. Studying in groups with classmates is allowed and encouraged, and note sharing with others in the class is allowed.

**Lectures:** The instructor will use the class time primarily to highlight key points of each topic and to cover selected points in detail. Students will need to read the textbook carefully, since not all of the important details will be covered in lectures. The instructor will also use the class time to: (i) go over example homework-type problems, (ii) review some past homework problems, (iii) cover some specific topics not fully covered in the textbook, and (iv) discuss current and recent events.

**Canvas:** The instructor will use Canvas to provide lecture slides and notes, details of textbook readings, course updates, review sheets, grades, sample exam questions, etc.

**Outline of Topics:**

1. Introduction: Brief overview of the US economy. 2008-9 financial crisis, the Great Recession, the pandemic, and recent economic performance.
2. Concepts and data: GDP, unemployment, price indexes. Okun's Law and the Phillips curve
3. Goods market equilibrium. Multipliers.
4. Extensions: proportional income taxes, exports and imports, govt. deficits and debt.
5. Financial markets I and the IS-LM model. Monetary and fiscal policy.
6. Financial markets II and the extended IS-LM model. The financial crisis of 2008-9, the Great Recession, and the policy response.
7. The labor market. Wage determination and price determination.
8. Economic growth in the in the long run
9. The Phillips Curve, Expectations, the natural rate of unemployment and inflation. Disinflation policy.
10. Financial markets and expectations
11. Monetary and Fiscal management of the economy

**Note:** The schedule of topics is subject to change at the discretion of the instructor. Any changes will be announced in class and posted to Canvas.

**Disclaimer:** This syllabus is subject to change. Any changes to the syllabus will be announced in class and posted on Canvas. It is the responsibility of the student to regularly check for updates to the syllabus.

**Accessibility:** The University of Oregon is committed to providing equal access to students with disabilities. If you require accommodations such as extended time for exams or note-taking assistance, please contact the Accessible Education Center in 164 Oregon Hall (541-346-1155). If you already have accommodations, please contact the instructor to discuss any specific needs for this class. **IMPORTANT:** Requests for accommodations, including but not limited to extra time on exams, not made through the AEC will not be granted.

**Acknowledgments:** This syllabus was adapted from previous versions of the syllabus for this course taught by professor George W. Evans.