

Econ 4021: Intermediate Macroeconomic Theory

Spring 2025

Essential Information:

Instructor:	Miguel Faria-e-Castro fmiguel@wustl.edu Office hours by appointment
TA:	Alejandro Gonzalez alejandro.g@wustl.edu Office hours: Friday 2-3pm, Seigle 372
	Yudong Rao rao.y@wustl.edu Office hours: Monday 10-11am, Seigle 372
Classes:	Monday and Wednesday, 16:00-17:20, McMillan / G052
Grading:	10 homeworks (60%) + 2 in-class midterm exams (40%)
Exam dates:	March 5 th , April 23 rd (in-class, closed book)

Course Description:

This is a one semester course in intermediate macroeconomics. Macroeconomics is the study of economic aggregates, such as unemployment and inflation, and of the public policies aimed at stabilizing and controlling those aggregates, such as fiscal and monetary policy.

Prerequisites:

The formal prerequisites are Econ 1021 and Econ 4011. I will assume that you are familiar with elementary differential calculus and algebra. Basic knowledge of statistics is also a plus. Browsing the textbook is the best way to evaluate whether your background is adequate. I will go a little bit beyond the book and present basic optimization problems.

Textbooks and Readings:

The textbook for this course is *Macroeconomics, 11th Edition* by Abel, Bernanke, and Croushore, Pearson. Earlier editions are fine, but bear in mind that there may be differences in pages for sections. Additionally, I may recommend extra readings throughout the semester.

I will follow the book relatively closely and complement the exposition with real-world readings, examples, and applications. I will make the lecture slides available on Canvas after each lecture.

Lectures:

Lectures will meet in person at McMillan / G052.

Grading:

Grading will be based on 10 approximately weekly homeworks (60%) and two in-class midterm exams (40%).

Problem Sets:

There will be 10 problem sets, each covering roughly one textbook chapter worth of material. Problem sets are posted on Monday and are due the following Monday at the time of the class, 4:00pm. They should be submitted electronically on MyCanvas. You are encouraged to collaborate, but every person has to submit their own solution to the problem sets.

Due to the size of the class, I cannot accept late submissions or make exceptions. If you have not submitted your own answers to the problem set by Monday 4:00pm, you will be graded zero. This may sound harsh, but is designed to keep things fair and reward planning ahead.

In-class Midterms

There will be two in-class midterms. The midterms are closed book. Each will cover half a term's worth of material. The exams will take place during the class on the following dates:

Midterm 1: Wednesday, March 5th

Midterm 2: Wednesday, April 23rd

Scientific and graphic calculators are the only electronic devices allowed in the in-class exams.

There will not be make-up exams. If you cannot make it to the exam, please let me know as soon as possible - at least one week before the exam. The exam will include questions and problems similar to those in the problem sets.

Office Hours:

Because I work off-campus, I do not have a set time for office hours. You are strongly encouraged to reach out to the TAs, TBA and TBA, and to attend their office hours.

Please e-mail me if you have questions and/or need to meet. I will be holding office hours by appointment.

Often, if you have a question, other people may have the same question. For this reason, I encourage you to come to me after class if you have anything that you would like to ask or discuss.

Class Participation:

Participation during class is encouraged. Feel free to ask any questions you may have and to stop me if something is not clear or you think it does not make sense. There are no stupid questions.

Course Outline:

We will cover approximately one textbook chapter a week. The tentative course outline is as follows:

Week 1: Introduction to the Course and to Macroeconomics (Ch. 1)

Weeks 1-2: Measurement (Ch. 2)

Week 3: Productivity, Output, and Employment (Ch. 3)

Week 4: Consumption, Saving, and Investment (Ch. 4)

Weeks 5-6: Growth (Ch. 6)

Weeks 6-7: Assets, Money, and Prices (Ch. 7)

Week 7: Business Cycles (Ch. 8)

Week 8: *Review Class & Midterm 1*

Week 9: *Spring Break*

Week 10: A General Macroeconomic Model (Ch. 9)

Week 11: Classical Business Cycle Analysis (Ch. 10)

Week 12: Keynesian Business Cycle Analysis (Ch. 11)

Week 13: Unemployment and Inflation (Ch. 12)

Week 14: Monetary Policy and the Federal Reserve (Ch. 14)

Week 15: Fiscal Policy (Ch. 15) & *Midterm 2*

Useful Online Resources:

FRED: <https://fred.stlouisfed.org/>, primary source for macroeconomic and financial data for the US. I will be using a lot of FRED graphs in class.

OECD: <https://data.oecd.org/>, for international comparisons.

Eurostat: <https://ec.europa.eu/eurostat>, for European data.

Other Issues:

Please reach out to me if you have any questions or if you have any issues or problems that you think may interfere with your learning goals or class performance.

If you ever feel that the usual standards of academic integrity are not being met, please notify me immediately.

In the case of heavy snowfall or other unexpected events, I will hold an online lecture via Zoom and notify the class via e-mail (as well as posting an announcement on Canvas).