

ECON 311: INTERMEDIATE MACROECONOMICS

George Mason University

Summer 2024

Instructor: Prad Sharma
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Location: Online
Office: Zoom

Introduction: Welcome to Intermediate Macroeconomics. This is an upper level course where we study and apply the canonical models of macroeconomics. Unlike Microeconomics, where the unit of observation is the individual or households, macroeconomics is concerned with understanding the economy in its aggregate. Generally, this is a country but can also be a state or region.

The foundational questions of Macroeconomics involves a generalized approach to explain the cross country differences in economic outcomes. The two primary questions we are concerned with are: 1) Why did some countries grow rapidly while others did not? and 2) What causes fluctuations in the economy and what role does policy play in both mitigating and causing these fluctuations?

In this course, we will cover the fundamental concepts of macroeconomics. We will study national income accounts, growth, business cycles, money, and policy decisions that revolve around these concepts. We will also briefly cover the micro-economic foundations of macroeconomics. As you may notice, the concepts and questions we cover in macroeconomics are complex and the models we cover may seem reductive in nature. Institutions and Political Economic factors play a significant role in answering the questions that concern macroeconomists. While we want you to think through these factors as you take this course, the course is designed to teach you to understand and analyze aggregate data and use macroeconomic models in the way almost all central bankers, policy makers, and economists utilize them.

Office Hours

I will be holding a virtual meeting session every Wednesday between 12:00 PM and 1:15 PM on zoom. This is optional and will serve as virtual office hours. You can access this using the following link:

<https://gmu.zoom.us/j/95372664934?pwd=VUdtZDZKcytqM1FDUDFhRTZjQT09>

Office Hours are also available on Zoom via appointment. I am available on Wednesdays right after the virtual meeting session (1:15 PM to 2:00 PM) and Thursdays between 12:00 PM and 2:00 PM. Please email me at psharm6@gmu.edu to set up an appointment. Office hours outside of these times require a 72 hour advance notice

Prerequisites: ECON 103 and 104 or permission of instructor. You will frequently see exponential and logarithmic functions in this course. There will also be a little bit of calculus used in some lectures. I will provide an overview to these concepts in the lecture on the foundations for Growth Theory. In the meantime, you can use resources available online if you want an introduction or revision for these mathematical concepts. YouTube is a good source and channels like Khan Academy provide a good overview.

Textbook: The primary textbook for this class is *Macroeconomics* by N. Gregory Mankiw (Worth Publishers, 2022, ISBN: 1319388051, 9781319388058). The bookstore will have the 11th edition of the textbook. You are welcome to use any of the previous editions beginning the 8th edition of the book.

Additional resources including papers and handouts will be uploaded to Blackboard.

Listed below are additional texts and resources that might be helpful for the class or useful if you want to dive further into studying macroeconomics.

- Marginal Revolution University <https://mru.org/teacher-resources/courses/principles-macroeconomics>: This is a useful place with fun videos that will give you a general introduction to most of the topics we cover. You can use this either as a refresher to your principles classes or as an aid to the material covered in this course.
- Snowdon, B. and Vane, H.R. (2005) *Modern Macroeconomics: Its Origins, Development and Current State*. Edward Elgar Publishing, Cheltenham. (A comprehensive book on the history of macroeconomics)

Course Pages:

1. Blackboard: <https://mymasonportal.gmu.edu/>

Important Dates:

First Day of Class	May 13th, 2024
Midterm #1 (Due Date)	June 9th, 2024
Midterm #2 (Due Date)	June 30th, 2024
Final Exam (Due Date)	July 19th, 2024

For complete details on official dates for the university see https://registrar.gmu.edu/calendars/spring_2024/

Class Policy: This class is online and asynchronous. Video lectures and notes will be made available on blackboard. You can watch the lecture videos at your convenience however note that homework deadlines are binding.

Grading Policy: Homework Assignments (35%), Exam 1 (20%), Exam 2 (20%), Final Exam (25%).

Final Grades:

A+	97%-100%
A	90%-96%
B+	87%-89%
B	80%-86%
C+	77%-79%
C	70%-76%
D	60%-69%
F	≤ 59%

decimal points .5 and above will be rounded up and decimal points .49 and below will be rounded down.

Exams: You will have 3 exams in this class: two midterms and one final exam. Each mid term exam is worth 20% of your final grade. The final exam is worth 25% of your final grade. A significant portion of the exam questions will be similar (but not necessarily identical) to the questions in your homework assignments. Thus doing your homework on time will help prepare you for the exam. You are required to take the exams on the scheduled date. With few exceptions, students must take the exams on the scheduled date.

Challenging Exam Grading: If I committed an arithmetical error in calculating your exam grade, please notify me as soon as you discover the error. I will correct the mistake immediately. Otherwise, any objections you have to the way I grade your exams must be expressed to me in writing. Submit to me a typed paragraph or two explaining why you believe that your answer deserves more credit than I gave it. In such situations, I will have another faculty member in the department grade your exam. If you do this, however, the entire exam will be regraded. It is possible that the re-grade will lower your score.

Early and Late exams: With few exceptions, you must take the exam at the required time. To take it late and not be assessed a penalty, you must have been hampered by an illness or a death in your family. (I will require proof such as a doctor's note or funeral program.) If you miss the exam for any other reason, I'll allow you to take it late, but you will be assessed a 30 point late penalty. Regardless of whether you have an excuse to take the exam late, to take the exam late you must notify me – by email no later than 24 hours of the scheduled time of the exam – that you missed the exam.

Homework Assignments: Homework assignments compose 35% of your final grade. You will have 7 homework assignments (Effectively worth 5% each of your final grade). This is a significant proportion of your grade. I have structured it this way to encourage active engagement with the course. Additionally, this is a great way to get easy points in this class. For your homework assignments, Most questions will be structured like the quick quiz questions in the textbook. These questions make up 80% of the assignment and the remaining 20% will be based on review or applied questions. These are usually

from the textbook. You can turn in late work. However, your original grade will be multiplied by 0.7 for any homework that is submitted late. Homework must be submitted using the link available on Blackboard under the Assignment tab. Homework assignment questions will be available on blackboard.

Note: Any homework submitted after **5:00PM on Monday July 15th 2024** will receive a score of 0. **Note: Homework Assignments are due at 11:59 PM on the due date**

Homework	Due Date
1	May 19th , 2024
2	May 26th, 2024
3	June 2nd , 2024
4	June 16th, 2024
5	June 23rd, 2024
6	July 7th, 2024
7	July 14th, 2024

Tentative Course Outline:

While unlikely, I reserve the right to change the schedule with adequate notice.

Week 1 (May 13th - May 19th): Course overview and Macroeconomic data

Lecture 1 Introduction and the Science of Macroeconomics

Read: *Mankiw Ch.1*

Lecture 2 Data in Macroeconomics

Read: *Mankiw Ch.2*

HW 1 Due May 19th

Week 2 (May 20th - May 26th): Measuring and Unemployment.

Lecture 3 Data Cont. and Unemployment

Read: *Mankiw Ch.2*

Lecture 4 Introduction to National Income Accounting

Read: *Mankiw Ch.3, Parts of Ch. 7 TBA*

Homework 2: Due by May 26th

Week 3 (May 27th - June 2nd): National Income Accounting and Production Functions*Lecture 5* National Income Accounting Cont.*Lecture 6* Production Functions**Read:** *Mankiw Ch. 3**Homework 3: Due by June 2nd***Week 4 (June 3rd - June 9th): Exam 1** and Introduction to Money.**Exam 1** Covering material till June 2nd. Available *June 6th* Due *June 9th 11:59 PM**Lecture 7* Introduction to Money**Read:** *Mankiw Ch. 4***Week 5 (June 10th - June 16th):** Money and Inflation*Lecture 8* Money Cont.**Read:** *Mankiw Ch.4**Lecture 9:* Inflation**Read:** *Mankiw Ch. 5**Homework 4: Due by June 16th***Week 6 (June 17th - June 23rd):** Growth Theory*Lecture 10:* Introduction to Economic Growth**Read:** *Mankiw Ch. 8**Lecture 11:* The Solow Growth Model**Read:** *Mankiw Ch. 8**Homework 5: Due by June 23rd***Week 7 (June 24th - June 30th):** Exam 2 and The Open Economy**Exam 2** Covering Material June 3rd to June 23rd. Available June 27th Due June 30th **11:59 PM***Lecture 12* The Open Economy*Lecture 13* The Open Economy Cont.**Read:** *Mankiw Ch 6***Week 8 (July 1st - July 7th):** Introduction to Business Cycles*Lecture 14* The AD-AS Framework*Lecture 15* Introduction to the IS-LM Model**Read:** *Mankiw Ch. 11, Ch. 12**Homework 6: Due by July 7th*

Week 9 (July 8th - July 14th): Applications of Business Cycle Models*Lecture 16* Applying the IS-LM model*Lecture 17* Macroeconomic Policy**Read:** *Mankiw Ch. 12; Ch. 13 Homework 7: Due by July 14th***Week 10 (July 15th - July 20th):** Review and Final Exam*Lecture 18* Review for the Exam*Final Exam* Available July 17th; Due **July 19th 11:59 PM**

Academic Honesty: I expect you to adhere to the Mason honor code. The complete honor code can be found here: <https://oai.gmu.edu/full-honor-code-document>. Please ensure that the work you submit is your own.

ADA accommodations: Students with disabilities who seek accommodations in a course must be registered with George Mason University Disability Services. Approved accommodations will begin at the time the written letter from Disability Services is received by the instructor (see <https://ds.gmu.edu>).

Title IX: As a faculty member, I am designated as a “Non-Confidential Employee,” and must report all disclosures of sexual assault, sexual harassment, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1202. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as the Student Support and Advocacy Center (SSAC) (New Window) at 703-380-1434 or Counseling and Psychological Services (CAPS) at 703-993-2380. You may also seek assistance or support measures from Mason’s Title IX Coordinator by calling 703-993-8730, or emailing titleix@gmu.edu.