

ECON 252-03/04 – Intermediate Macroeconomics

SPRING 2016 SYLLABUS

Class Schedule	<i>Section 03</i> : MW 8.50–10.20am, H 021 <i>Section 04</i> : MW 10.30am–12.00pm, H 021
Instructor	Dr. Emir Malikov
Office	Hepburn 204
Phone	(315) 229–5436
Email	emalikov@stlawu.edu
Office Hours	Tue and Wed 3.00–4.30pm, whenever my door is open (usually, in afternoons) or by appt
Teaching Assistant	Kaden Weaver (kpweav13@stlawu.edu)

COURSE DESCRIPTION

The goal of this course is to further students' understanding of the central ideas of macroeconomics. We will discuss the causes of long-run economic growth and short-run economic fluctuations — business cycles. Growth theory explains how economic aggregates (such as output, employment, etc.) evolve on average over time, whereas business cycle theory, which is of primary focus of this course, looks at how these aggregates fluctuate around their long-run trends. Once we have a firm understanding of these phenomena in the context of a dynamic economy guided by rational individuals, we will analyze the main macroeconomic tools the government uses to ensure economic stability (namely, fiscal and monetary policies) and their effects on the economy. The course builds a unified modern macroeconomic model which nests both Classical and Keynesian approaches. For the most part, we will study a case of a closed economy; an open economy will also be examined, if time permits.

TEXTBOOK & READINGS

The required textbook is *Macroeconomics*, 8th Ed., by Abel, Bernanke and Croushore. Should you decide to purchase an older edition of the textbook, please be prepared for discrepancies in the text which I will not be able to help you with.

You must have access to *MyEconLab*. If the access code did not come with the your textbook, you can purchase it separately on the *MyEconLab* website. Instructions on how to register for the course's *MyEconLab* page are to be provided in class.

To relate our in-class discussions to the real world events and problems, you will also be occasionally asked to read brief newspaper articles (primarily from *The Economist*) or policy briefs. We will discuss these articles/briefs in class. I may also ask you to answer questions and/or provide your critical opinion on them on the quizzes. In order to access *The Economist* articles online, do not go to *The Economist*'s website but rather google the title of the article. By doing so, you will be accessing the cached version of the article and thus will not be subject to the magazine's subscription restriction.

PREREQUISITE KNOWLEDGE

I presume that you come to this class with a solid understanding of the basic macroeconomic

concepts such as GDP, unemployment, inflation, etc. If you feel you need to refresh your knowledge, please read Chapter 2 of the textbook on your own or, alternatively, skim through your Introduction to Economics textbook.

While we will not be using calculus in this course, the basic (high school level) knowledge of algebra is however expected. Be comfortable with the letter/symbol based representation of equations. All necessary concepts will be reviewed in class at the beginning of the semester.

GRADING & ASSIGNMENTS

Your course grade is made up of the following components:

<i>Component</i>	<i>Weight</i>
Class Participation	5%
Quizzes	8%
Homework	20%
Chapter Outlines	10%
Exams ($\times 3$)	57% (19% each)

At the end of the course, your score on each of the above components will be converted to a 100 point based scale. Your final score in the class will be a weighted average of these points. I will then map your final score (also on a 100 point based scale) to the grade you will receive in the course using the following table:

<i>Course Grade</i>	<i>Min Cumulative Score</i>	<i>Course Grade</i>	<i>Min Cumulative Score</i>
4.00	97	2.25	75
3.75	93	2.00	72
3.50	90	1.75	69
3.25	87	1.50	66
3.00	84	1.25	63
2.75	81	1.00	51
2.50	78	0.00	50 and below

IMPORTANT: You may NOT take this course as pass/fail.

NOTE #1: Depending on how hard the homework and exams turn out to be, I may need to reduce the points required for each grade. I will notify you of any such changes.

NOTE #2: Requests to revise grades on exams, homeworks and other assignments are accepted in writing only. Please compose a brief letter argumentatively explaining (point by point) why you think your grade should be changed, then turn in this letter along with the original assignment back to me. You may contest your grade within two weeks from the date your graded assignments was returned to you.

Class participation. The success of the course depends heavily upon the contributions of each student. It is you who makes the class more fun! I expect you to come to class prepared and willing to contribute to the class discussion, which constitutes a part of your course grade. Hence, make sure to do readings on time (especially, newspaper articles) as well as to never be shy to ask questions or to share relevant stories/examples from the real world in class. This is an easy way to earn points, so do not miss out. Occasionally, you will also be asked to split into groups and jointly work on problems in class.

Attendance. While attendance is not required *per se*, it is still expected of you. Clearly, attendance

is necessary for class participation for which you earn credit. Further, I often teach material that goes beyond the textbook as well as make important announcements in class about assignments which you do not want to miss.

Quizzes. To entice you to keep up with the course material, I will occasionally give you a short in-class quiz (~15 minutes). The quiz may cover the material recently learned in class or the assigned newspaper articles. All quizzes are at the beginning of class, hence, you do not want to be late. I will announce the quiz one class in advance (yet another incentive for the class attendance). There will be no make-up quizzes.

Homework. Homework assignments are the mixture of (i) *MyEconLab* assignments, which you need to complete online, and (ii) more conventional “in-paper” problem sets that you will need to hand in to me in class. In both instances, you will be asked to work on both analytical and quantitative problems based on the material learned in class. Homework due dates will be determined by the flow of the course.

All *MyEconLab* assignments are due as announced on *Sakai*. No late submissions will be accepted. *MyEconLab* assignments are graded automatically (usually, with two attempts per question allowed) with the number of possible points varying across questions, depending on their difficulty level. The grade for each assignment will be based on the percentage of available points that you earn, i.e., converted to a 100 point based scale.

All “in-paper” assignments are due at the beginning of class. Only hard copies of “in-paper” assignments will be accepted — please do not email me your assignments. Late submissions will be accepted (for half credit) only if the solution key has not been posted yet. Here, each question (or a sub-question within a problem) will be graded on a scale of 2 (all correct), 1 (partially correct) and 0 (incorrect). Please do your homework neatly. All of your answers must be written as complete thoughts in well-written sentences. “Yes” or “no” are not acceptable answers and will be given a grade of zero. Whenever sensible, the use of graphs in answering questions is encouraged, but graphs do not stand alone without discussion. If more than one sheet of paper is required, make sure to staple them together with your name on each sheet. Unstapled assignments will not be accepted. The grade for each “in-paper” homework will be based on the percentage of available points that you earn, i.e., converted to a 100 point based scale. For instance, if there are 5 problems then there are 10 available points, if you earn 8 of these, your grade will be 80 (out of 100).

You are encouraged to work out the problems in a group with your classmates. However, each of you must submit a separate work of your own. I recommend that you sit on your own when completing the final draft of your homework. If I suspect that two or more students have turned in substantially identical work, I will ask the academic honor council to determine if academic dishonesty has occurred. If they deem that academic dishonesty has occurred on the homework I will recommend a zero for the entire homework portion of your final grade.

Chapter outlines. Given that the material we will be covering is quite challenging, it is imperative for you to read the chapter prior to the date it is covered in class. To entice you to do readings on time, I will ask you to turn in a chapter outline for each chapter that we cover from the textbook. The outline will be due *before* I cover a respective chapter in class. Chapters 1–2 are exempt from this assignment. Each outline will be graded on a scale of 2 (strong effort), 1 (partial effort) and 0 (low or no effort). At the end of the course, your total score will be converted to a 100 point based scale.

The outlines should be independent work. If your work is not independent of other students in either class, you will be given a zero for the entire “chapter outlines” portion of your final grade. This is a place where you can substantially help or harm your final grade in the course. The outlines

are due at the beginning of class on the assigned day. Late submissions will be accepted for half credit only.

Exams. Exams will primarily focus on the material most recently covered in class. They may include multiple-choice and short essay type questions along with quantitative and analytical problems. Exams are always and everywhere your work. If I find that you have copied off a classmate, I will forward the case to the academic honor council with the recommendation that you fail the course if found guilty.

The dates of midterm exams are to be determined depending on the flow of the class. You should expect them in late February and early April. I will announce the exact dates of both midterms at least two weeks in advance. The final exam will take place from 6 to 7.30 pm on Wednesday, May 11.

WORKLOAD

You should be prepared to devote at least 1.5 hour of your time for every hour of in-class time (i.e., at least 4.5 hours per week) to reading the book, going over the class notes and doing assignments. This class is cumulative so it is essential that you do not let yourself get behind from the very beginning. As a good studying strategy, I suggest you to make sure you actively learn while in the classroom as opposed to merely copying the notes down from the blackboard. Further, do not postpone studying relevant material until a quiz/test comes but rather study on a regular basis. I strongly encourage you to see me or your TA whenever you encounter problems. You are also encouraged to form a study group. It helps in understanding the material when you are able to explain your thoughts to your fellow students.

MAKE-UPS

- No make-up quizzes, homework assignments or exams.
- The lowest quiz score will be dropped.
- If you must miss an exam/quiz because of a SLU sanctioned event, please make an arrangement with me in advance. If you fail to do so ahead of time, you will receive a zero for that exam. The format of a make-up exam/quiz is at my discretion.

ANNOUNCEMENTS

All announcements (including homework assignments) as well as supplementary material will be posted on *Sakai*. It is your responsibility to check for announcements at least once a day.

OFFICE HOURS

My posted office hours are from 3 to 4.30 pm on Tuesdays and Wednesdays. If you cannot make it during these hours, please email me for an appointment and we will make it work. You are also welcome to come by my office (for help, advice or just to talk) whenever my door is open. However, it is preferable to both you and I that you make an appointment with me so that I reserve enough time for us to go over whatever questions you may have. Please also note that I'm mostly unavailable on Fridays.

EMAILS

If you cannot make it to see me in my office, feel free to email me with any questions — I will be happy to help. However, please keep in mind that it is nearly impossible to meaningfully answer

conceptual questions via email. In such instances, I will customarily ask you to see me in person in order to get your question answered/explained.

I do not discuss students' grades over email, period. While it is pleasing to see that you are concerned about your performance in class, please do not email me about the latter, but rather stop by my office to talk about it in person.

Lastly, while I am fairly quick in responding to students' emails, emails (except those on urgent matters) sent to me over the weekend and/or after 5 pm on week days generally will not be replied to sooner than the morning of the following working week day.

CLASSROOM ETIQUETTE

Please be considerate to myself and those around you:

- Turn off your cell phones before the lecture starts. This also implies no texting/facebooking/instagraming/snapchatting or playing with your iPads during the lecture, not even under the desk. If I see you using a phone, tablet, etc., during class and it does not appear to be for a legitimate class purpose, I will call on you.
- The use of laptops is permitted for course-related purposes only. If you do use a laptop, please sit in the front row.
- Please wait until the lecture ends before gathering your belongings.
- If you need to leave early, please sit near the door. If you arrive late to class, please minimize the distraction to the lecture.
- Please do not eat in class, unless you have valid medical reasons for that.

ACADEMIC HONOR POLICY

The academic honor policy outlined in the Constitution of the Academic Honor Council will be enforced in this class. An online copy of the constitution can be found [here](#).

STUDENTS WITH DISABILITIES

If you have a disability and may need accommodations please be sure to contact the Disability and Accessibility Services Office right away so they can help you get the accommodations you require. If you need to use any accommodations in this class, please submit to me a letter from Disability and Accessibility Services in a timely manner so that you can have the best possible experience this semester. Please inform me of any accommodations that you need at least 10 days before the exam and/or assignment deadline.

RELIGIOUS OBSERVANCES

If you have a conflict with a scheduled exam, assignment or some other course requirement due to religious obligations, please inform me of this at least 10 days before the exam and/or deadline.

COURSE OUTLINE

This course outline is tentative and subject to change as the semester progresses.

Introduction

- What is Macroeconomics? Ch. 1
- Math and Basic Macro Concepts Review Class notes

Short-Run Economic Fluctuations

- The Production Function and Labor Market Ch. 3
- Saving and Investment Ch. 4
- The Asset Market and Money Ch. 7
- Business Cycles and Stylized Facts* Parts of Ch. 8
- The IS-LM/AD-AS Model Ch. 9
- The Classical Model of Business Cycles Ch. 10
- The Keynesian Model of Business Cycles Ch. 11
- U.S. Economy Today: The Liquidity Trap Class notes
- The Phillips Curve Ch. 12
- Monetary Policy Today** Parts of Ch. 14 & class notes
- Government Spending and Its Financing** Parts of Ch. 15 & class notes

Long-Run Economic Growth

- The Solow Model Ch. 6 & class notes
- Endogenous Growth Ch. 6 & class notes

Notes:

* To be covered very briefly.

** Time-permitting only. If covered, the two topics will be studied *after* we finish the module on the long-run growth.