

Course Outline for “Intermediate Macroeconomics” (ECON 1110)— Autumn 2011

Course Code and Title:

ECON 1110 Intermediate Macroeconomics

Lecturer:

Dr James R. Maloy

Office: Posvar 4705

Phone: 412 648 7117

E-mail: maloy@pitt.edu

Office Hours: Tuesday/Thursday 9:45 - 10:45; other times by appointment only.

Aims and Overview:

ECON 1110 is an intermediate-level course in macroeconomic theory and policy. The course aims to provide the student with a solid understanding of macroeconomics at the intermediate level and to ensure that students can apply macroeconomic analysis to the study of economic problems. This course is designed for students who are serious in their study of economics. Students should expect the pace and content of this course to be significantly more challenging than introductory macroeconomics. This course will require considerable independent study outside of class. Successful completion of introductory microeconomics, macroeconomics and calculus are prerequisites.

The course covers the development of modern macroeconomic models. Classical, Keynesian, Monetarist, New Classical and Austrian views of the macroeconomy will be analysed and compared in detail. Key areas to be covered include the various theories of business cycles, money and prices, unemployment, and long-run growth. Considerable emphasis will be placed on analysing both the strengths and weaknesses of the models and understanding the differences among macroeconomic models, as well as how they have evolved over the past century. .

Course Delivery:

The course will be taught through two weekly lectures. Specific assigned reading is provided for each section of the course. Most class time will be used for lectures, although problem sets may be discussed as time arises. The lecturer will be available for consultation during advertised office hours or by appointment.

Assessment:

- A **midterm examination** worth 25% of the final course grade will take place during the lecture on **Tuesday 25th October 2011**.
- A **final examination** worth 30% of the final course grade will take place during finals week on **Saturday 17th December 2011 at 2:00-3:50 for students in the T/H 1:00 lecture** and on **Monday 12th December 2011 at 4:00-5:50 for students in the T/H 4:00 lecture**.
- An independently-researched **essay** of approximately 2500 words is worth 25% of the final grade. It will be due at the beginning of the lecture on **Thursday 17th November 2011**. The essay requirements will be provided within the first few weeks of term.
- A series of **five in-class quizzes or out-of-class assignments** (most likely quizzes) will be given during the term. Your best four scores out of the five will constitute the remaining 20% of the final grade.
- Problem sets will be distributed for each lecture topic. These are not assessed but are a fundamental part of the course. You are expected to attempt these assignments on your own. Solutions will be provided for problem sets assuming that students are not using the provided solutions as an excuse to not do their work.

The exams will test your knowledge and understanding of the material covered in the course, your ability to manipulate, compare, and logically explain diagrammatic and mathematical versions of the models, your ability to apply the models and theories to real world situations, and your ability to critically appraise the models and their applications.

Grading Scale:

The final average is calculated using the weights specified above and will be rounded to the nearest integer.

A	92 – 100
A-	90 - 91
B+	88 – 89
B	82 – 87
B-	80 – 81
C+	78 – 79
C	72 – 77
C-	70 – 71
D+	68 – 69
D	62 – 67
D-	60 – 61
F	0 – 59

Reading:

ECON 1110 is textbook-based. The primary text will be:

Froyen, Richard T. *Macroeconomics: Theories and Policies*, 9th Ed. Upper Saddle River, NJ: Pearson/Prentice-Hall, 2009. ISBN-10: 0-13-6000155-6; ISBN-13: 978-0-13-6000155-3

You are required to have access to this textbook. There is a study guide that accompanies this book that you may order if you so wish. The 2005 8th edition is also acceptable.

The other required book for this course is:

Edward Chancellor, *Devil Take the Hindmost: A History of Financial Speculation*. Plume, 1999.

The readings in this course outline are divided into two sections. **Readings under the heading "Required Readings" are mandatory and you will be expected to be familiar with this material for exams, even if it is not explicitly discussed in the lectures!** Readings under the heading "Additional Readings" are not required but are there for students who want more information. Any student who wants further information on any topic should consult the lecturer for additional sources.

Supplementary texts:

Supplementary texts are available for your reference should the primary text leave you confused or you want more information. Suggested intermediate level macroeconomics texts include (there are probably newer editions of some of these books available):

Miller, R. L. and D. Van Hoose, *Macroeconomics : Theories, Policies, and International Applications*, South West College Publishing, 2003.

Gordon, Robert. *Macroeconomics*, 8th Ed. Reading, MA: Addison Wesley Longman, 2001.

Burda, M. and C. Wyplosz. *Macroeconomics: A European Text*, 2nd or 3rd Ed. Oxford: Oxford University Press, 1997 (2nd Ed.); 2001 (3rd Ed.).

Blanchard, O. *Macroeconomics*. Upper Saddle River, NJ: Prentice Hall, 1997.

A considerable portion of the course will cover topics related to monetary economics, an important branch of macroeconomics. The student may wish to consult a textbook specifically on monetary economics to improve his/her understanding of these topics. The following textbooks are recommended:

Bain, K. and P. Howells. *Monetary Economics*. Palgrave, 2003.

Handa, Jagdish. *Monetary Economics*. Routledge, 2000.

Students may also wish to expand their knowledge by consulting advanced textbooks. The "standard" postgraduate macroeconomics textbook is:

Romer, David. *Advanced Macroeconomics*. New York: McGraw-Hill.

Although this course is not overly mathematical, if you are having any difficulty with calculus I highly recommend that you consult:

Chiang, Alpha. *Fundamental Methods of Mathematical Economics*. 3rd Ed. (I believe that there is a newer edition out now with a co-author as well, although the earlier edition is fine.)

Chiang's book is extremely user-friendly and includes many worked examples. It is by far the most useful economics book I have ever owned and I highly recommend that you buy a copy if you plan to continue your study of economics.

ECON 1110 TIMETABLE—Autumn 2011

(This schedule is subject to change as events warrant.)

1. Introduction and Macroeconomic Accounting 30 Aug/1 Sept

Required Readings:

Froyen, Chapters 1 and 2

2. Classical Macroeconomics (I): Equilibrium Output and Unemployment 6, 8 Sept

Required Readings:

Froyen, Chapter 3

3. Classical Macroeconomics (II): Money, Prices, and Interest 13, 15 Sept

Required Readings:

Froyen, Chapter 4

Additional Readings:

Handa, Chapters 2.1 and 2.2

Pigou, A.C. "The Value of Money". *Quarterly Journal of Economics*, 32, November 1917, pp. 38-65.

Further general information on the Classical paradigm can be found in books on the History of Economic Thought. The following text is recommended:

Spiegel, W. H. *The Growth of Economic Thought*. Duke University Press, 1991

4. Keynesian Macroeconomics (I): Aggregate Demand 20, 22 Sept

Required Readings:

Froyen, Chapter 5 (8th Ed. Ch. 6)

Additional Readings:

Keynes, J.M. *The General Theory of Employment, Interest, and Money*, 1936.

5. Keynesian Macro (II): Money, Interest, and Income

**27, 29 Sept
4, 6 Oct**

Required Readings:

Froyen, Chapter 6 (8th Ed. Ch 7)

Froyen, Chapter 16 (8th Ed. Ch. 17)

Bain and Howells, *Monetary Economics*, Chapter 3

Additional Readings:

Handa, Chapter 13.1 – 13.6

Keynes, J.M. *General Theory*

Hicks, John R. "Mr Keynes and the Classics: A Suggested Interpretation".

Econometrica, 5, April 1937, pp. 147-59. (This is the article that created the IS-LM model)

NO LECTURE (AUTUMN BREAK)

11 Oct

6. Keynesian Macro (III): Policy Effects in the IS/LM Model

13, 18 Oct

Required Readings:

Froyen, Chapter 7 (8th Ed. Ch. 8)

MIDTERM EXAM: TOPICS 1 – 6

25 Oct

7. Exchange Rates and the Open Economy:

**20, 27 Oct
1 Nov**

Required Readings:

Froyen, Chapter 14 and Chapter 15 (8th Ed. Ch. 15 & 16)

Additional Readings:

Any text on International Finance will cover these issues in much greater detail. I suggest:

Pilbeam, Keith. *International Finance*, 3rd Ed. Chapters 1, 2, and 4 are relevant to the material covered in this topic.

The following two items are the original articles written by Mundell and Fleming:

Mundell, Robert. "Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29 (November 1963), pp. 475-85.

Fleming, Marcus. "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates," *International Monetary Fund Staff Papers*, 9 (November 1962), pp. 369-79.

8. Keynesian Macro (IV): Aggregate Supply and Demand

3, 8 Nov

Required Readings:

Froyen, Chapter 8 (8th Ed. Ch. 9)

9. Austrian Economic Theory

10, 15 Nov

Required Readings:

Rothbard, Murray. *America's Great Depression*, Chapters 1 – 3.
Available online at <http://mises.org/rothbard/agd.pdf>

Additional Readings:

The entire book above is highly recommended. The best source for additional Austrian literature is <http://mises.org>.

10. The Monetarist Counterrevolution

17, 22 Nov

Required Readings:

Froyen, Chapter 9 (8th Ed. Ch. 10)

Additional Readings:

Friedman, Milton. *The Counter-revolution in Monetary Theory*. London: Institute of Economic Affairs, 1970.

Friedman, Milton. "The Quantity Theory of Money: A Restatement". In M. Friedman, ed., *Studies in the Quantity Theory of Money*. Chicago, 1956, pp. 3-21.

****ESSAY DUE AT THE BEGINNING OF LECTURE ON THE 17TH OF NOVEMBER****

NO LECTURE (THANKSGIVING)

24 Nov

11. Output, Inflation, and Unemployment: Monetarist and Keynesian Views of the Short Run and Long Run

29 Nov

Required Readings:

Froyen, Chapter 10 (8th Ed. Ch. 11)

Friedman, Milton. "The Role of Monetary Policy," *American Economic Review*, 58 (March 1968) (Available on JSTOR)

12. New Classical Economics

1 Dec

Required Readings:

Froyen, Chapter 11 (8th Ed. Ch. 12)

Additional Readings:

Lucas, Robert E. "Expectations and the Neutrality of Money". *Journal of Economic Theory*, 4, April 1972, pp. 103-24.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations, the Optimal Monetary Policy Instrument, and the Optimal Money Supply Rule". *Journal of Political Economy*, 83, April 1975, pp. 241-54.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations and the Theory of Economic Policy". *Journal of Monetary Economics*, 2, April 1976, pp. 169-83.

At this point you should read Froyen Chapter 13 (8th Ed. Ch. 14), which provides a brief summary of all models covered in this course.

13. Financial Speculation

6, 8 Dec

Required Readings:

Edward Chancellor, *Devil Take the Hindmost: A History of Financial Speculation*

FINAL EXAM: TOPICS 7 - 13

Saturday 18th December 2010 from 8:00 - 9:50 AM

The final exam will place a heavier emphasis on the material from Topics 7 – 13, but this course is cumulative in nature and final exam questions will therefore require a thorough understanding of Topics 1 – 6.

ECON 1110
Intermediate Macroeconomics
SPRING 2012

Instructor: Hyeon Park

Office: Posvar 4519
Phone: 648-2824
Email: hsp2@pitt.edu

TA: Ling(Lily) Yang
Office: 4920
Phone: 648-5312
Email: liy32@pitt.edu

Time and Location: Mon, Wed 3:00 - 4:15
Lawrence 203

Instructor Office Hours: Wednesday 12:00-1:00 [Posvar Room 4519] or by Appointment

Textbook: Macroeconomics, 7th ed., Abel, Bernanke, & Croushore

Online Course Materials: Class materials for this course can be found on the Pitt course web site at <http://courseweb.pitt.edu/>

Material: Text Book Chapters 1, 2, 3, 4, 5 and 7, 8, 9, and 6, 12.
There will be out of text book materials you can download from courseweb.

This course is an intermediate level of macroeconomics. Macroeconomics is the study of the behavior and interaction of economic aggregates such as GDP, nation wide consumption, the unemployment rate, the inflation rate, and the rate of economic growth. Typical questions that we may ask are: What drive the economy to grow? What cause the inflation? Why is there unemployment and how government policies can influence it? The objective of this course is to answer these kinds of questions with the existing macroeconomic models and empirical data.

In this course, we will build and analyze a set of models that will help you to understand the behavior of these and other measures of the macroeconomy and provide a clearer understanding of how various markets interact to determine these. We will specifically focus on the micro-foundation of macroeconomics and want to see how each of the main aggregate variables such as consumption, saving, investment and labor supply is determined from individual level of optimization. Finally we will analyze how the macroeconomic variables are determined in general equilibrium where all the markets (mainly output, labor, money, and bond markets) interact each other to generate an equilibrium.

Grading: There will be weekly assignments, two midterm exams, and a final. Also we will have four random in class quizzes. They will count toward the grade as follows.

Assignments	10 %
Midterm 1	25 %
Exams Midterm 2	25 %
Final	30 %
Quiz	10 %

Exams: There will be two Midterm exams and a Final Exam.

Two midterm exams: To be announced later. But typically after the 4 (1, 2, 3, 4) chapters, there will be first exam. Second exam will be after the second group of the topics (open market economy)

Final exam: TBA. Exam room also to be announced later.

Exam policy:

1. Only in very exceptional cases, such as hospitalization, students may be excused from missing an exam. Enough written evidence of the situation must be submitted.
2. Students in this course will be expected to comply with the University of Pittsburgh's Policy on Academic Integrity.

Course Outline for “Intermediate Macroeconomics” (ECON 1110)— Spring 2012

Course Code and Title:

ECON 1110 Intermediate Macroeconomics

Lecturer:

Dr James R. Maloy

Office: Posvar 4705

Phone: 412 648 7117

E-mail: maloy@pitt.edu

Office Hours: Tuesday 1:00-2:00, Thursday 9:30-10:30; other times by appointment only.

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The course covers the development of modern macroeconomic models. Classical, Keynesian, Austrian, Monetarist, and New Classical views of the macroeconomy will be analysed and compared in detail. Key areas to be covered include the various theories of business cycles, money and prices, unemployment, with a particular emphasis on the role of financial and monetary issues. Considerable emphasis will be placed on analysing both the strengths and weaknesses of the models and understanding the differences among macroeconomic models, as well as how they have evolved over the past century. .

Course Delivery:

The course will be taught through two weekly lectures. Specific assigned reading is provided for each section of the course. Most class time will be used for lectures, although problem sets may be discussed as time arises. The lecturer will be available for consultation during advertised office hours or by appointment.

Assessment:

- A **midterm examination** worth 25% of the final course grade will take place during the lecture on **Thursday 1st March 2012**
- A **final examination** worth 30% of the final course grade will take place during finals week at a day/time to be announced.
- An independently-researched **essay** of approximately 2500 words is worth 25% of the final grade. It will be due at the beginning of the lecture on **Tuesday 3rd April 2012**. The essay requirements will be provided within the first few weeks of term.
- A series of **five in-class quizzes or out-of-class assignments** (most likely quizzes) will be given during the term. Your best four scores out of the five will constitute the remaining 20% of the final grade.
- Problem sets will be distributed for each lecture topic. These are not assessed but are a fundamental part of the course. You are expected to attempt these assignments on your own. Solutions will be provided for problem sets assuming that students are not using the provided solutions as an excuse to not do their work.

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Supplementary texts:

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Gordon, Robert. *Macroeconomics*, 8th Ed. Reading, MA: Addison Wesley Longman, 2001.

Burda, M. and C. Wyplosz. *Macroeconomics: A European Text*, 2nd or 3rd Ed. Oxford: Oxford University Press, 1997 (2nd Ed.); 2001 (3rd Ed.).

Blanchard, O. *Macroeconomics*. Upper Saddle River, NJ: Prentice Hall, 1997.

A considerable portion of the course will cover topics related to monetary economics, an important branch of macroeconomics. The student may wish to consult a textbook specifically on monetary economics to improve his/her understanding of these topics. The following textbooks are recommended:

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Students may also wish to expand their knowledge by consulting advanced textbooks. The "standard" postgraduate macroeconomics textbook is:

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Although this course is not overly mathematical, if you are having any difficulty with calculus I highly recommend that you consult:

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Chiang's book is extremely user-friendly and includes many worked examples. It is by far the most useful economics book I have ever owned and I highly recommend that you buy a copy if you plan to continue your study of economics.

ECON 1110 TIMETABLE—Spring 2012

(This schedule is subject to change as events warrant.)

1. Introduction and Macroeconomic Accounting 5, 10 Jan

Required Readings:

Froyen, Chapters 1 and 2

2. Classical Macroeconomics (I): Equilibrium Output and Unemployment 12, 17 Jan

Required Readings:

Froyen, Chapter 3

3. Classical Macroeconomics (II): Money, Prices, and Interest 19, 24 Jan

Required Readings:

Froyen, Chapter 4

Additional Readings:

Handa, Chapters 2.1 and 2.2

Pigou, A.C. "The Value of Money". *Quarterly Journal of Economics*, 32, November 1917, pp. 38-65.

Further general information on the Classical paradigm can be found in books on the History of Economic Thought. The following text is recommended:

Spiegel, W. H. *The Growth of Economic Thought*. Duke University Press, 1991

4. Keynesian Macroeconomics (I): Aggregate Demand 26, 31 Jan

Required Readings:

Froyen, Chapter 5 (8th Ed. Ch. 6)

Additional Readings:

Keynes, J.M. *The General Theory of Employment, Interest, and Money*, 1936.

5. Keynesian Macro (II): Money, Interest, and Income

2, 7, 9, 14 Feb

Required Readings:

Froyen, Chapter 6 (8th Ed. Ch 7)

Froyen, Chapter 16 (8th Ed. Ch. 17)

Bain and Howells, *Monetary Economics*, Chapter 3

Additional Readings:

Handa, Chapter 13.1 – 13.6

Keynes, J.M. *General Theory*

Hicks, John R. "Mr Keynes and the Classics: A Suggested Interpretation".

Econometrica, 5, April 1937, pp. 147-59. (This is the article that created the IS-LM model)

6. Keynesian Macro (III): Policy Effects in the IS/LM Model

16, 21 Feb

Required Readings:

Froyen, Chapter 7 (8th Ed. Ch. 8)

MIDTERM EXAM: TOPICS 1 – 6

1 March

7. Exchange Rates and the Open Economy:

23, 28 Feb

13 March

Required Readings:

Froyen, Chapter 14 and Chapter 15 (8th Ed. Ch. 15 & 16)

Additional Readings:

Any text on International Finance will cover these issues in much greater detail. I suggest:

Pilbeam, Keith. *International Finance*, 3rd Ed. Chapters 1, 2, and 4 are relevant to the material covered in this topic.

The following two items are the original articles written by Mundell and Fleming:

Mundell, Robert. "Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29 (November 1963), pp. 475-85.

Fleming, Marcus. "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates," International Monetary Fund *Staff Papers*, 9 (November 1962), pp. 369-79.

8. Keynesian Macro (IV): Aggregate Supply and Demand

15, 20, 22 March

Required Readings:

Froyen, Chapter 8 (8th Ed. Ch. 9)

9. Austrian Economic Theory

27, 29 March

Required Readings:

Rothbard, Murray. *America's Great Depression*, Chapters 1 – 3.
Available online at <http://mises.org/rothbard/agd.pdf>

Additional Readings:

The entire book above is highly recommended. The best source for additional Austrian literature is <http://mises.org>.

****ESSAY DUE AT THE BEGINNING OF LECTURE ON THE 3rd OF APRIL**

10. The Monetarist Counterrevolution

3, 5 April

Required Readings:

Froyen, Chapter 9 (8th Ed. Ch. 10)

Additional Readings:

Friedman, Milton. *The Counter-revolution in Monetary Theory*. London: Institute of Economic Affairs, 1970.

Friedman, Milton. "The Quantity Theory of Money: A Restatement". In M. Friedman, ed., *Studies in the Quantity Theory of Money*. Chicago, 1956, pp. 3-21.

11. Output, Inflation, and Unemployment: Monetarist and Keynesian Views of the Short Run and Long Run

10 April

Required Readings:

Froyen, Chapter 10 (8th Ed. Ch. 11)

Friedman, Milton. "The Role of Monetary Policy," *American Economic Review*, 58 (March 1968) (Available on JSTOR)

12. New Classical Economics

12 April

Required Readings:

Froyen, Chapter 11 (8th Ed. Ch. 12)

Additional Readings:

Lucas, Robert E. "Expectations and the Neutrality of Money". *Journal of Economic Theory*, 4, April 1972, pp. 103-24.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations, the Optimal Monetary Policy Instrument, and the Optimal Money Supply Rule". *Journal of Political Economy*, 83, April 1975, pp. 241-54.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations and the Theory of Economic Policy". *Journal of Monetary Economics*, 2, April 1976, pp. 169-83.

At this point you should read Froyen Chapter 13 (8th Ed. Ch. 14), which provides a brief summary of all models covered in this course.

13. Financial Speculation, Bubbles and Panics

17, 19 April

Required Readings:

Edward Chancellor, *Devil Take the Hindmost: A History of Financial Speculation*, Chapters 1, 2, 3, 6, 7, 8

FINAL EXAM: TOPICS 7 - 12

TBA

The final exam will place a heavier emphasis on the material from Topics 7 – 12, but this course is cumulative in nature and final exam questions will therefore require a thorough understanding of Topics 1 – 6.

Econ 1110: Intermediate Macroeconomics

Summer 2012

Lecturer: Yue Li

Office: Posval 4513

Phone: 412-648-2825

Email: yul57@pitt.edu

Office Hour: Tue and Th 3:15pm-4:15pm or by appointment

Class: Posval 4900 on Tue and Th 12:00pm-3:15pm

Textbook: Abel/Bernanke/Croushore: Macroeconomics Six Edition or Later

General

This course will use macroeconomic models to study issues of economic growth, inflation, and unemployment. In particular, we will study the economic behavior during a business cycle and use economic models to answer what may be the reason behind it. Monetary and fiscal policies are the key for understanding the US economy either in the long run or in the short run. It will also study how the economy interacts with the worldwide economies via exchange rates and international trades.

Grading

Online test: 280 pts (2 pts per question)

Assignments: 120 pts

Mid-term: 300 pts

Final exam: 300 pts

Total 1,000 points

GRADE SCALE:

A+: 975 TO 1000	A: 925 TO 974	A-: 900 TO 924
B+: 875 TO 899	B: 825 TO 874	B-: 800 TO 824
C+: 775 TO 799	C: 725 TO 774	C-: 700 TO 724
D+: 675 TO 699	D: 625 TO 674	D-: 600 TO 624

EXTRA CREDIT: There is no extra credit available in this course.

Your grades will be posted on Courseweb. After your grades have been posted, you have 10 days to request a correction. Otherwise, your grade will remain unchanged.

Class policy

1. Only in very exceptional cases, such as hospitalization, students may be excused from missing an exam. Enough written evidence of the situation must be submitted. **Contact me in class, by e-**

mail, or by phone BEFORE the exam, so we can discuss a suitable arrangement for a make-up exam.

2. All quizzes and assignments are due on the indicated dates before class begins (12:00pm). No late submission is accepted. In order to avoid the potential tech-problems with the course web, I suggest completing the online quiz one hour before the deadline.

3. Students in this course will be expected to comply with the University of Pittsburgh's Policy on Academic Integrity.

Tentative Itinerary

- May 15th: Introduction, the Measurement and Structure of National Economy
- May 17th: Productivity, Output, and Employment
- May 22nd: Consumption, Saving and Investment
Online Quiz 1, and Assignment 1 due
- May 24th: Saving and Investment in Open Economy
Discussion on Quiz 1 and Assignment 1
- May 29th: Long-Run Economic Growth
Online Quiz 2
- May 31st: The Asset Market, Money and Prices
Discussion on Quiz 2
Online Quiz 3 and Assignment 2 due
- Jun 5th: Business cycle
Discussion on Quiz 3 and Assignment 2
Midterm (Covers Chapters 1 to 6)
- Jun 7th: The IS-LM/AD-AS Model
- Jun 12th: The IS-LM/AD-AS Model
Online Quiz 4 and Assignment 3 due
- Jun 14th: Classical Business Cycle Analysis
Discussion of Quiz 4 and Assignment 3
- Jun 19th: Exchange Rates, Business Cycles, and Macroeconomic Policy in the Open Economy and Review
- Jun 21st: **Final Exam**
Online Quiz 5 and Assignment 4 due

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Course Code and Title:

ECON 1110 Intermediate Macroeconomics

Lecturer:

Dr James R. Maloy

Office: Posvar 4705

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Assessment:

- A **midterm examination** worth 25% of the final course grade will take place during the lecture on **Thursday 25th October 2012**.
- A **final examination** worth 30% of the final course grade will take place during finals week on **Thursday 13th December 2012, 8:00 AM - 9:50 AM for students in the T/H 2:30 lecture** and on **Tuesday 11th December 2012, 12:00 PM - 1:50 PM for students in the T/H 4:00 lecture**.
- An independently-researched **essay** of approximately 2500 words is worth 25% of the final grade. It will be due at the beginning of the lecture on **Thursday 15th November 2012**. The essay requirements will be provided within the first few weeks of term.
- A series of **five in-class quizzes or out-of-class assignments** (most likely quizzes) will be given during the term. Your best four scores out of the five will constitute the remaining 20% of the final grade.
- Problem sets will be distributed for each lecture topic. These are not assessed but are a fundamental part of the course. You are expected to attempt these assignments on your own. Solutions will be provided for problem sets assuming that students are not using the provided solutions as an excuse to not do their work.

The exams will test your knowledge and understanding of the material covered in the course, your ability to manipulate, compare, and logically explain diagrammatic and mathematical versions of the models, your ability to apply the models and theories to real world situations, and your ability to critically appraise the models and their applications.

Grading Scale:

The final average is calculated using the weights specified above and will be rounded to the nearest integer.

A	92 – 100
A-	90 - 91
B+	88 – 89
B	82 – 87
B-	80 – 81
C+	78 – 79
C	72 – 77
C-	70 – 71
D+	68 – 69
D	62 – 67
D-	60 – 61
F	0 – 59

Reading:

ECON 1110 is textbook-based. The primary text will be:

Froyen, Richard T. *Macroeconomics: Theories and Policies*, 10th Ed. Upper Saddle River, NJ: Pearson/Prentice-Hall, 2013. ISBN-10: 0-13-283152-X; ISBN-13: 978-0-13-283152-9

You are required to have access to this textbook. There is a study guide that accompanies this book that you may order if you so wish. The 2005 8th or 2009 9th editions are also acceptable.

The other required book for this course is:

Edward Chancellor, *Devil Take the Hindmost: A History of Financial Speculation*. Plume, 1999.

The readings in this course outline are divided into two sections. **Readings under the heading "Required Readings" are mandatory and you will be expected to be familiar with this material for exams, even if it is not explicitly discussed in the lectures!** Readings under the heading "Additional Readings" are not required but are there for students who want more information. Any student who wants further information on any topic should consult the lecturer for additional sources.

Supplementary texts:

Supplementary texts are available for your reference should the primary text leave you confused or you want more information. Suggested intermediate level macroeconomics texts include (there are probably newer editions of some of these books available):

Miller, R. L. and D. Van Hoose, *Macroeconomics : Theories, Policies, and International Applications*, South West College Publishing, 2003.

Gordon, Robert. *Macroeconomics*, 8th Ed. Reading, MA: Addison Wesley Longman, 2001.

Burda, M. and C. Wyplosz. *Macroeconomics: A European Text*, 2nd or 3rd Ed. Oxford: Oxford University Press, 1997 (2nd Ed.); 2001 (3rd Ed.).

Blanchard, O. *Macroeconomics*. Upper Saddle River, NJ: Prentice Hall, 1997.

A considerable portion of the course will cover topics related to monetary economics, an important branch of macroeconomics. The student may wish to consult a textbook specifically on monetary economics to improve his/her understanding of these topics. The following textbooks are recommended:

Bain, K. and P. Howells. *Monetary Economics*. Palgrave, 2003.

Handa, Jagdish. *Monetary Economics*. Routledge, 2000.

Students may also wish to expand their knowledge by consulting advanced textbooks. The "standard" postgraduate macroeconomics textbook is:

Romer, David. *Advanced Macroeconomics*. New York: McGraw-Hill.

Although this course is not overly mathematical, if you are having any difficulty with calculus I highly recommend that you consult: Chiang, Alpha. *Fundamental Methods of Mathematical Economics*. 3rd Ed. (I believe that there is a newer edition out now with a co-author as well, although the earlier edition is fine.) Chiang's book is extremely user-friendly and includes many worked examples. It is by far the most useful economics book I have ever owned and I highly recommend that you buy a copy if you plan to continue your study of economics.

ECON 1110 TIMETABLE—Autumn 2012

(This schedule is subject to change as events warrant.)

1. Introduction and Macroeconomic Accounting 28, 30 Aug

Required Readings:

Froyen, Chapters 1 and 2

2. Classical Macroeconomics (I): Equilibrium Output and Unemployment 4, 6 Sept

Required Readings:

Froyen, Chapter 3

3. Classical Macroeconomics (II): Money, Prices, and Interest 11, 13 Sept

Required Readings:

Froyen, Chapter 4

Additional Readings:

Handa, Chapters 2.1 and 2.2

Pigou, A.C. "The Value of Money". *Quarterly Journal of Economics*, 32, November 1917, pp. 38-65.

Further general information on the Classical paradigm can be found in books on the History of Economic Thought. The following text is recommended:

Spiegel, W. H. *The Growth of Economic Thought*. Duke University Press, 1991

4. Keynesian Macroeconomics (I): Aggregate Demand 18, 20 Sept

Required Readings:

Froyen, Chapter 5 (8th Ed. Ch. 6)

Additional Readings:

Keynes, J.M. *The General Theory of Employment, Interest, and Money*, 1936.

5. Keynesian Macro (II): Money, Interest, and Income

**25, 27 Sept
2, 4 Oct**

Required Readings:

Froyen, Chapter 6 (8th Ed. Ch 7)

Froyen, Chapter 16 (8th Ed. Ch. 17)

Bain and Howells, *Monetary Economics*, Chapter 3

Additional Readings:

Handa, Chapter 13.1 – 13.6

Keynes, J.M. *General Theory*

Hicks, John R. "Mr Keynes and the Classics: A Suggested Interpretation".

Econometrica, 5, April 1937, pp. 147-59. (This is the article that created the IS-LM model)

NO LECTURE (AUTUMN BREAK)

9 Oct

6. Keynesian Macro (III): Policy Effects in the IS/LM Model

11, 16 Oct

Required Readings:

Froyen, Chapter 7 (8th Ed. Ch. 8)

MIDTERM EXAM: TOPICS 1 – 6

25 Oct

7. Exchange Rates and the Open Economy:

18, 23, 30 Oct

Required Readings:

Froyen, Chapter 14 and Chapter 15 (8th Ed. Ch. 15 & 16)

Additional Readings:

Any text on International Finance will cover these issues in much greater detail. I suggest:

Pilbeam, Keith. *International Finance*, 3rd Ed. Chapters 1, 2, and 4 are relevant to the material covered in this topic.

The following two items are the original articles written by Mundell and Fleming:

Mundell, Robert. "Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29 (November 1963), pp. 475-85.

Fleming, Marcus. "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates," *International Monetary Fund Staff Papers*, 9 (November 1962), pp. 369-79.

8. Keynesian Macro (IV): Aggregate Supply and Demand

1, 6 Nov

Required Readings:

Froyen, Chapter 8 (8th Ed. Ch. 9)

9. Austrian Economic Theory

8, 13 Nov

Required Readings:

Rothbard, Murray. *America's Great Depression*, Chapters 1 – 3.
Available online at <http://mises.org/rothbard/agd.pdf>

Additional Readings:

The entire book above is highly recommended. The best source for additional Austrian literature is <http://mises.org>.

****ESSAY DUE AT THE BEGINNING OF LECTURE ON THE 15TH OF NOVEMBER****

10. The Monetarist Counterrevolution

15, 20 Nov

Required Readings:

Froyen, Chapter 9 (8th Ed. Ch. 10)

Additional Readings:

Friedman, Milton. *The Counter-revolution in Monetary Theory*. London: Institute of Economic Affairs, 1970.

Friedman, Milton. "The Quantity Theory of Money: A Restatement". In M. Friedman, ed., *Studies in the Quantity Theory of Money*. Chicago, 1956, pp. 3-21.

NO LECTURE (THANKSGIVING)

22 Nov

11. Output, Inflation, and Unemployment: Monetarist and Keynesian Views of the Short Run and Long Run

27 Nov

Required Readings:

Froyen, Chapter 10 (8th Ed. Ch. 11)

Friedman, Milton. "The Role of Monetary Policy," *American Economic Review*, 58 (March 1968) (Available on JSTOR)

12. New Classical Economics

29 Nov

Required Readings:

Froyen, Chapter 11 (8th Ed. Ch. 12)

Additional Readings:

- Lucas, Robert E. "Expectations and the Neutrality of Money". *Journal of Economic Theory*, 4, April 1972, pp. 103-24.
- Sargent, Thomas J., and Neil Wallace. "Rational Expectations, the Optimal Monetary Policy Instrument, and the Optimal Money Supply Rule". *Journal of Political Economy*, 83, April 1975, pp. 241-54.
- Sargent, Thomas J., and Neil Wallace. "Rational Expectations and the Theory of Economic Policy". *Journal of Monetary Economics*, 2, April 1976, pp. 169-83.

At this point you should read Froyen Chapter 13 (8th Ed. Ch. 14), which provides a brief summary of all models covered in this course.

13. Financial Speculation

4, 6 Dec

Required Readings:

Edward Chancellor, *Devil Take the Hindmost: A History of Financial Speculation*
Chapters 1, 2, 3, 6, 7, 8

FINAL EXAM: TOPICS 7 - 13

Tuesday/Thursday 2:30 Lecture: Thursday 13th December, 8:00 AM - 9:50 AM

Tuesday/Thursday 4:00 Lecture: Tuesday 11th December, 12:00 PM - 1:50 PM

You must attend the final exam at the assigned time for the section in which you are officially registered. The final exam will place a heavier emphasis on the material from topics 7 – 13, but this course is cumulative in nature and final exam questions will therefore require a thorough understanding of topics 1 – 6.

Course Outline for “Intermediate Macroeconomics” (ECON 1110)— Spring 2013

Course Code and Title:

ECON 1110 Intermediate Macroeconomics

Lecturer:

Dr James R. Maloy

Office: Posvar 4705

Phone: 412 648 7117

E-mail: maloy@pitt.edu

Office Hours: Tuesday/Thursday 1:00-2:00; other times by appointment only.

Aims and Overview:

ECON 1110 is an intermediate-level course in macroeconomic theory and policy. The course aims to provide the student with a solid understanding of macroeconomics at the intermediate level and to ensure that students can apply macroeconomic analysis to the study of economic problems. This course is designed for students who are serious in their study of economics. Students should expect the pace and content of this course to be significantly more challenging than introductory macroeconomics. This course will require considerable independent study outside of class. Successful completion of introductory microeconomics, macroeconomics and calculus are prerequisites.

The course covers the development of modern macroeconomic models. Classical, Keynesian, Austrian, Monetarist, and New Classical views of the macroeconomy will be analysed and compared in detail. Key areas to be covered include the various theories of business cycles, money and prices, and unemployment, with a particular emphasis on the role of financial and monetary issues. Considerable emphasis will be placed on analysing both the strengths and weaknesses of the models and understanding the differences among macroeconomic models, as well as how they have evolved over the past century. .

Course Delivery:

The course will be taught through two weekly lectures. Specific assigned reading is provided for each section of the course. Most class time will be used for lectures, although problem sets may be discussed as time arises. The lecturer will be available for consultation during advertised office hours or by appointment.

Assessment:

- A **midterm examination** worth 30% of the final course grade will take place during the lecture on **Thursday 28th February 2013**
- A **final examination** worth 30% of the final course grade will take place during finals week. **The finals are on Wednesday 24th April at 4:00PM - 5:50PM for the Tuesday/Thursday 11:00 lecture or Friday 26th April at 4:00PM - 5:50PM for the Tuesday/Thursday 4:00 lecture.** You must attend at the scheduled time for your lecture.
- An independently-researched **essay** of approximately 2500 words is worth 25% of the final grade. It will be due at the beginning of your scheduled lecture on **Thursday 28th March 2013**. The essay requirements will be provided within the first few weeks of term.
- A series of **five in-class quizzes or out-of-class assignments** (most likely quizzes) will be given during the term. Your best four scores out of the five will constitute the remaining 15% of the final grade.
- Problem sets will be distributed for each lecture topic. These are not assessed but are a fundamental part of the course. You are expected to attempt these assignments on your own. Solutions will be provided for problem sets assuming that students are not using the provided solutions as an excuse to not do their work.

The exams will test your knowledge and understanding of the material covered in the course, your ability to manipulate, compare, and logically explain diagrammatic and mathematical versions of the models, your ability to apply the models and theories to real world situations, and your ability to critically appraise the models and their applications.

Grading Scale:

The final average is calculated using the weights specified above and will be rounded to the nearest integer. Letter grades are as specified below.

A	92 – 100
A-	90 - 91
B+	88 – 89
B	82 – 87
B-	80 – 81
C+	78 – 79
C	72 – 77
C-	70 – 71
D+	68 – 69
D	62 – 67
D-	60 – 61
F	0 – 59

Reading:

ECON 1110 is textbook-based. The primary text will be:

Froyen, Richard T. *Macroeconomics: Theories and Policies*, 10th Ed. Upper Saddle River, NJ: Pearson/Prentice-Hall, 2013. ISBN-10: 0-13-283152-X; ISBN-13: 978-0-13-283152-9

You are required to have access to this textbook. There is a study guide that accompanies this book that you may order if you so wish. The 2005 8th or 2009 9th editions are also acceptable.

The other required book for this course is:

Edward Chancellor, *Devil Take the Hindmost: A History of Financial Speculation*. Plume, 1999.

The readings in this course outline are divided into two sections. **Readings under the heading "Required Readings" are mandatory and you will be expected to be familiar with this material for exams, even if it is not explicitly discussed in the lectures!** Readings under the heading "Additional Readings" are not required but are there for students who want more information. Any student who wants further information on any topic should consult the lecturer for additional sources.

Supplementary texts:

Supplementary texts are available for your reference should the primary text leave you confused or you want more information. Suggested intermediate level macroeconomics texts include (there are probably newer editions of some of these books available):

Miller, R. L. and D. Van Hoose, *Macroeconomics : Theories, Policies, and International Applications*, South West College Publishing, 2003.

Gordon, Robert. *Macroeconomics*, 8th Ed. Reading, MA: Addison Wesley Longman, 2001.

Burda, M. and C. Wyplosz. *Macroeconomics: A European Text*, 2nd or 3rd Ed. Oxford: Oxford University Press, 1997 (2nd Ed.); 2001 (3rd Ed.).

Blanchard, O. *Macroeconomics*. Upper Saddle River, NJ: Prentice Hall, 1997.

A considerable portion of the course will cover topics related to monetary economics, an important branch of macroeconomics. The student may wish to consult a textbook specifically on monetary economics to improve his/her understanding of these topics. The following textbooks are recommended:

Bain, K. and P. Howells. *Monetary Economics*. Palgrave, 2003.

Handa, Jagdish. *Monetary Economics*. Routledge, 2000.

Students may also wish to expand their knowledge by consulting advanced textbooks. The "standard" postgraduate macroeconomics textbook is:

Romer, David. *Advanced Macroeconomics*. New York: McGraw-Hill.

Although this course is not overly mathematical, if you are having any difficulty with calculus I highly recommend that you consult Chiang, Alpha. *Fundamental Methods of Mathematical Economics*. 3rd Ed. (I believe that there is a newer edition out now with a co-author as well, although the earlier edition is fine.) Chiang's book is extremely user-friendly and includes many worked examples. It is by far the most useful economics book I have ever owned and I highly recommend that you buy a copy if you plan to continue your study of economics.

ECON 1110 TIMETABLE—Spring 2013

(This schedule is subject to change as events warrant.)

1. Introduction and Macroeconomic Accounting 8, 10 Jan

Required Readings:

Froyen, Chapters 1 and 2

2. Classical Macroeconomics (I): Equilibrium Output and Unemployment 15, 17 Jan

Required Readings:

Froyen, Chapter 3

3. Classical Macroeconomics (II): Money, Prices, and Interest 22, 24 Jan

Required Readings:

Froyen, Chapter 4

Additional Readings:

Handa, Chapters 2.1 and 2.2

Pigou, A.C. "The Value of Money". *Quarterly Journal of Economics*, 32, November 1917, pp. 38-65.

Further general information on the Classical paradigm can be found in books on the History of Economic Thought. The following text is recommended:

Spiegel, W. H. *The Growth of Economic Thought*. Duke University Press, 1991

4. Keynesian Macroeconomics (I): Aggregate Demand 29, 31 Jan

Required Readings:

Froyen, Chapter 5 (8th Ed. Ch. 6)

Additional Readings:

Keynes, J.M. *The General Theory of Employment, Interest, and Money*, 1936.

5. Keynesian Macro (II): Money, Interest, and Income

5, 7, 12, 14 Feb

Required Readings:

Froyen, Chapter 6 (8th Ed. Ch 7)

Froyen, Chapter 16 (8th Ed. Ch. 17)

Bain and Howells, *Monetary Economics*, Chapter 3

Additional Readings:

Handa, Chapter 13.1 – 13.6

Keynes, J.M. *General Theory*

Hicks, John R. "Mr Keynes and the Classics: A Suggested Interpretation".

Econometrica, 5, April 1937, pp. 147-59. (This is the article that created the IS-LM model)

6. Keynesian Macro (III): Policy Effects in the IS/LM Model

19, 21 Feb

Required Readings:

Froyen, Chapter 7 (8th Ed. Ch. 8)

MIDTERM EXAM: TOPICS 1 – 6

28 Feb

7. Exchange Rates and the Open Economy:

**26 Feb;
5, 7 March**

Required Readings:

Froyen, Chapter 14 and Chapter 15 (8th Ed. Ch. 15 & 16)

Additional Readings:

Any text on International Finance will cover these issues in much greater detail. I suggest Pilbeam, Keith. *International Finance*, 3rd Ed. Chapters 1, 2, and 4 are relevant to the material covered in this topic.

The following two items are the original articles written by Mundell and Fleming:

Mundell, Robert. "Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29 (November 1963), pp. 475-85.

Fleming, Marcus. "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates," *International Monetary Fund Staff Papers*, 9 (November 1962), pp. 369-79.

SPRING BREAK (NO LECTURES)

12, 14 March

8. Keynesian Macro (IV): Aggregate Supply and Demand **19, 21, 26 March**

Required Readings:

Froyen, Chapter 8 (8th Ed. Ch. 9)

9. Austrian Business Cycle Theory **28 March, 2 April**

Required Readings:

Rothbard, Murray. *America's Great Depression*, Chapters 1 – 2.

Available online at <http://mises.org/rothbard/agd.pdf>

Additional Readings:

The entire book above is highly recommended. The best source for additional Austrian literature is <http://mises.org>.

****ESSAY DUE AT THE BEGINNING OF LECTURE ON THE 28th OF MARCH****

10. The Monetarist Counterrevolution **4, 9 April**

Required Readings:

Froyen, Chapter 9 (8th Ed. Ch. 10)

Additional Readings:

Friedman, Milton. *The Counter-revolution in Monetary Theory*. London: Institute of Economic Affairs, 1970.

Friedman, Milton. "The Quantity Theory of Money: A Restatement". In M. Friedman, ed., *Studies in the Quantity Theory of Money*. Chicago, 1956, pp. 3-21.

11. Output, Inflation, and Unemployment: Monetarist and Keynesian Views of the Short Run and Long Run **11 April**

Required Readings:

Froyen, Chapter 10 (8th Ed. Ch. 11)

Friedman, Milton. "The Role of Monetary Policy," *American Economic Review*, 58 (March 1968) (Available on JSTOR)

12. New Classical Economics

16 April

Required Readings:

Froyen, Chapter 11 (8th Ed. Ch. 12)

Additional Readings:

Lucas, Robert E. "Expectations and the Neutrality of Money". *Journal of Economic Theory*, 4, April 1972, pp. 103-24.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations, the Optimal Monetary Policy Instrument, and the Optimal Money Supply Rule". *Journal of Political Economy*, 83, April 1975, pp. 241-54.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations and the Theory of Economic Policy". *Journal of Monetary Economics*, 2, April 1976, pp. 169-83.

At this point you should read Froyen Chapter 13 (8th Ed. Ch. 14), which provides a brief summary of all models covered in this course.

13. Financial Speculation, Bubbles and Panics

18 April

Required Readings:

Edward Chancellor, *Devil Take the Hindmost: A History of Financial Speculation*, Chapters 1, 2, 3, 6, 7, 8

FINAL EXAM: TOPICS 7 - 12

Students in the Tuesday/Thursday 11:00 lecture: your final exam is Wednesday 24th April at 4:00PM - 5:50PM

Students in the Tuesday/Thursday 4:00 lecture: your final exam is Friday 26th April at 4:00PM - 5:50PM

The final exam will place a heavier emphasis on the material from Topics 7 – 12, but this course is cumulative in nature and final exam questions will therefore require a thorough understanding of Topics 1 – 6.

Econ 1110: Intermediate Macroeconomics

Summer 2013

Lecturer: Yue Li

Office: Posval 4513

Phone: 412-648-2825

Email: yul57@pitt.edu

Office Hour: Tue 3:15pm-5:15pm or by appointment

Class: Posval 4900 on Tue and Thu 12:00pm-3:15pm

Textbook: Abel/Bernanke/Croushore: Macroeconomics Six Edition or Later

General

This course will use macroeconomic models to study issues of economic growth, inflation, and unemployment. In particular, we will study the economic behavior during a business cycle and use economic models to answer what may be the reason behind it. Monetary and fiscal policies are the key for understanding the US economy either in the long run or in the short run. It will also study how the economy interacts with the worldwide economies via exchange rates and international trades.

Grading

Online quizzes:	280 pts (2 pts per question)
Assignments:	120 pts
Mid-term:	300 pts
Final exam:	300 pts
Project (bonus):	100pts

Total	<hr/> 1,100 points
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GRADE SCALE:

A+: 975 TO 1100	A: 925 TO 974	A-: 900 TO 924
B+: 875 TO 899	B: 825 TO 874	B-: 800 TO 824
C+: 775 TO 799	C: 725 TO 774	C-: 700 TO 724
D+: 675 TO 699	D: 625 TO 674	D-: 600 TO 624

Your grades will be posted on Courseweb. After your grades have been posted, you have 10 days to request a correction. Otherwise, your grade will remain unchanged.

Class policy

1. Only in very exceptional cases, such as hospitalization, students may be excused from missing an exam. Enough written evidence of the situation must be submitted. **Contact me in class, by e-**

mail, or by phone BEFORE the exam, so we can discuss a suitable arrangement for a make-up exam.

2. All quizzes, project and assignments are due on the indicated dates before class begins (12:00pm). No late submission is accepted. In order to avoid the potential tech-problems with the course web, I suggest completing the online quiz one hour before the deadline.

3. The project lets you to make a business cycle analysis for one country of your choice (except US). On Jun 6th, we will make an analysis about US in the computer lab. This is a group work that could be cooperated among two or three students. All members in a group have the same grade.

4. Students in this course will be expected to comply with the University of Pittsburgh's Policy on Academic Integrity.

Tentative Itinerary

- May 14th: Introduction, the Measurement and Structure of National Economy
- May 16th: Productivity, Output, and Employment
- May 21st: Consumption, Saving and Investment
Quiz 1 and Assignment 1 due
- May 23rd: Saving and Investment in Open Economy
- May 28th: Long-Run Economic Growth and Review
Quiz 2 due
- May 30st: The Asset Market, Money and Prices
Quiz 3 and Assignment 2 due
- Jun 4th: **Midterm (Covers Chapters 1 to 6)**
- Jun 6th: Business cycle (**Location: Computer lab in Posval Hall**)
- Jun 11th: The IS-LM/AD-AS Model
Quiz 4 and Assignment 3 due
- Jun13th: Classical Business Cycle Analysis
- Jun 18th: Exchange Rates, Business Cycles, and Macroeconomic Policy in the Open Economy and Review
Project due
- Jun 20st: **Final Exam**
Quiz 5 and Assignment 4 due

FALL 2013

Economics 1110
INTERMEDIATE MACROECONOMICS

Sewon Hur

Office: 4509 Posvar Hall
Phone: 412-648-1762
Web: <http://econ.sewonhur.com>

Office Hours: Tuesday 10-12 p.m. or by apt.
Email: sewonhur@pitt.edu

Teaching Assistants:

Kathryn Holston (kah164@pitt.edu), Mon 1-2pm, Thurs 2:30-3:30pm or by apt (4524 Posvar)
David Rosenthal (dmr65@pitt.edu), Tues 3:30-4:30pm, Thurs 12:30-1:30pm or by apt (4524 Posvar)
Hakki Lee (hal42@pitt.edu), Friday 9-10am (grading questions only, 4910 Posvar)

E-mail is the best way to contact me; subject must start with [1110]

Course Description:

The purpose of Econ 1110 is to provide a formal exposition of modern macroeconomics. I will start building up from what you learned in Econ 0110 and expand it; yet, the analysis will be done in a rigorous way. For this reason, the tools you've learned in Econ 1100 will prove useful (I'll do a small review before using them); even though this is not a microeconomics course, you need to be sure why things happen and to keep a clear idea of what's going on behind all the results we get.

Up to now, there is no “definite” approach to teaching an intermediate macroeconomics course. While you should be familiar with the Keynesian model (most likely this was what you learned in Econ 0110), I'll present both the Keynesian and the Real Business Cycle (RBC) frameworks in the course, with an emphasis on the latter. The reason is simply that the RBC model is the workhorse of modern macroeconomics (at the research frontier).

Last, but not least, an added goal of the course is to test important theoretical results on real-world data and examples. I think that any Macroeconomics course should balance a strong theoretical background and empirical analysis. Get ready to crunch some data.

Prerequisites: Students are expected to have taken principles of economics (Econ 0110 and Econ 0111 or their equivalents) as well as intermediate microeconomics (Econ 1100). Introductory calculus is also a prerequisite.

Required Text: Stephen D Williamson, *Macroeconomics*, 5th edition

Online course materials: All materials for this course can be found on the CourseWeb site at <http://courseweb.pitt.edu/>. There will also be a list of current announcements and readings. Therefore, please check the website regularly, at least every other day.

Course requirements:	Problem Sets	30%
	Midterm	30%
	Final	40%

Problem sets:

I expect to give you four problem sets during the course, and these exercises will be very similar to many of the questions found on the exams. It is your responsibility to try to solve the exercises.

These homeworks will be collected on pre-announced due dates (electronic submissions will NOT be accepted). **Late assignments will not be accepted and will earn 0 points.** Answer keys will not be provided although I will be happy to solve any or all of the exercises during class after the due date. Also, I will offer several special review sessions and office hours where you can discuss these problems with me and/or the TA to see how the problems can be solved. During these sessions and during class you may ask specific questions about the exercises. You should come to class, ask me questions on the exercises, and/or discuss them with your classmates. In addition, feel free to work with your classmates on these problems, although **you must each turn in a completed assignment in order to earn credit for the homework.** Photocopied submissions of assignments done by others will not be accepted.

Exams:

There will be one midterm exam and one final exam. The final exam *is* cumulative, and covers all the material in the course. Make-up exams will be allowed only under extreme circumstances, such as illness. In order to schedule a make-up exam you must notify me prior to the exam and provide a written note from your doctor.

Course Outline:

Part I: Measurement

1. Introduction (Chapter 1)
2. Measurement and national accounts (Chapter 2)
3. Business cycle measurement (Chapter 3)

Part II: The one-period economy

4. Microeconomic fundamentals (Chapter 4; handout)
 - The utility maximization problem
 - Income and substitution effects
 - The consumption-leisure-labor supply model
 - The firm's profit maximization problem
5. A closed-economy one-period macroeconomic model (Chapter 5; handout)

Part III: Introduction to dynamics and economic growth

6. The Solow growth model (Chapter 7)
7. Growth convergence (Chapter 8)

Part IV: The basic two-period economy

8. Microeconomic fundamentals (Chapter 9; handout)
 - The inter-temporal choice problem
 - Income and substitution effects
 - The firm's profit maximization and optimal investment problem
9. Credit Market Imperfections (Chapter 10)
10. A real inter-temporal model with investment (Chapter 11; handout)
11. A monetary inter-temporal model (Chapter 12; handout)

Part V: Comparing the models

- 12. Market-clearing models of the business cycle (Chapter 13)
- 13. Keynesian macroeconomics and sticky wages (Chapter 14)

Part VI: Additional topics

- 14. International Trade in Goods and Assets (Chapter 15)
- 15. Extending the two-period economy: An introduction to infinite-dimensional economies (handout)
- 16. Unemployment: Search and Unemployment (Chapter 6)

Course Outline for “Intermediate Macroeconomics” (ECON 1110)— Spring 2014

Course Code and Title:

ECON 1110 Intermediate Macroeconomics

Lecturer:

Dr James R. Maloy

Office: Posvar 4705

Phone: 412 648 7117

E-mail: maloy@pitt.edu

Office Hours: Tuesday 4:00 - 5:00, Thursday 3:00-4:00; other times by appointment.

Aims and Overview:

ECON 1110 is an intermediate-level course in macroeconomic theory and policy. The course aims to provide the student with a solid understanding of macroeconomics at the intermediate level and to ensure that students can apply macroeconomic analysis to the study of economic problems. This course is designed for students who are serious in their study of economics. Students should expect the pace and content of this course to be significantly more challenging than introductory macroeconomics. This course will require considerable independent study outside of class. Successful completion of introductory microeconomics, macroeconomics and calculus are prerequisites.

The course covers the development of modern macroeconomic models. Classical, Keynesian, Austrian, Monetarist and New Classical views of the macroeconomy will be analysed and compared in detail. Key areas to be covered include the various theories of business cycles, money and prices, and unemployment, with a particular emphasis on the role of financial and monetary issues. Considerable emphasis will be placed on analysing both the strengths and weaknesses of the models and understanding the differences among macroeconomic models, as well as how they have evolved over the past century. .

Course Delivery:

The course will be taught through two weekly lectures. Specific assigned reading is provided for each section of the course. Most class time will be used for lectures, although problem sets may be discussed as time arises. The lecturer will be available for consultation during advertised office hours or by appointment.

Assessment:

- A **midterm examination** worth 30% of the final course grade will take place during the lecture on **Thursday 27th February**
- A **final examination** worth 30% of the final course grade will take place during finals week. **The finals are on Tuesday 22nd April at 4:00PM-5:50PM for the Tuesday/Thursday 9:30 lecture, Saturday 26th April at 10:00AM - 11:50AM for the Tuesday/Thursday 11:00 lecture or Monday 21st April at 10:00AM - 11:50AM for the Tuesday/Thursday 1:00 lecture.** You must attend at the scheduled time for your lecture.
- An independently-researched **essay** of approximately 2500 words is worth 25% of the final grade. It will be due at the beginning of your scheduled lecture on **Thursday 27th March**. The essay requirements will be provided within the first few weeks of term.
- A series of **five in-class quizzes or out-of-class assignments** (most likely quizzes) will be given during the term. Your best four scores out of the five will constitute the remaining 15% of the final grade.
- Problem sets will be distributed for each lecture topic. These are not assessed but are a fundamental part of the course. You are expected to attempt these assignments on your own. Solutions will be provided for problem sets assuming that students are not using the provided solutions as an excuse to not do their work.

The exams will test your knowledge and understanding of the material covered in the course, your ability to manipulate, compare, and logically explain diagrammatic and mathematical versions of the models, your ability to apply the models and theories to real world situations, and your ability to critically appraise the models and their applications.

Grading Scale:

The final average is calculated using the weights specified above and will be rounded to the nearest integer. Letter grades are as specified below.

A	92 – 100
A-	90 - 91
B+	88 – 89
B	82 – 87
B-	80 – 81
C+	78 – 79
C	72 – 77
C-	70 – 71
D+	68 – 69
D	62 – 67
D-	60 – 61
F	0 – 59

Reading:

ECON 1110 is textbook-based. The primary text will be:

Froyen, Richard T. *Macroeconomics: Theories and Policies*, 10th Ed. Upper Saddle River, NJ: Pearson/Prentice-Hall, 2013. ISBN-10: 0-13-283152-X; ISBN-13: 978-0-13-283152-9

You are required to have access to this textbook. There is a study guide that accompanies this book that you may order if you so wish. The 2005 8th or 2009 9th editions are also acceptable.

The readings in this course outline are divided into two sections. **Readings under the heading "Required Readings" are mandatory and you will be expected to be familiar with this material for exams, even if it is not explicitly discussed in the lectures!** Readings under the heading "Additional Readings" are not required but are there for students who want more information. Any student who wants further information on any topic should consult the lecturer for additional sources.

Supplementary texts:

Supplementary texts are available for your reference should the primary text leave you confused or you want more information. Suggested intermediate level macroeconomics texts include (there are probably newer editions of some of these books available):

Miller, R. L. and D. Van Hoose, *Macroeconomics : Theories, Policies, and International Applications*, South West College Publishing, 2003.

Gordon, Robert. *Macroeconomics*, 8th Ed. Reading, MA: Addison Wesley Longman, 2001.

Burda, M. and C. Wyplosz. *Macroeconomics: A European Text*, 2nd or 3rd Ed. Oxford: Oxford University Press, 1997 (2nd Ed.); 2001 (3rd Ed.).

Blanchard, O. *Macroeconomics*. Upper Saddle River, NJ: Prentice Hall, 1997.

A considerable portion of the course will cover topics related to monetary economics, an important branch of macroeconomics. The student may wish to consult a textbook specifically on monetary economics to improve his/her understanding of these topics. The following textbooks are recommended:

Bain, K. and P. Howells. *Monetary Economics*. Palgrave, 2003.

Handa, Jagdish. *Monetary Economics*. Routledge, 2000.

Students may also wish to expand their knowledge by consulting advanced textbooks. The "standard" postgraduate macroeconomics textbook is:

Romer, David. *Advanced Macroeconomics*. New York: McGraw-Hill.

Although this course is not overly mathematical, if you are having any difficulty with calculus I highly recommend that you consult Chiang, Alpha. *Fundamental Methods of*

Mathematical Economics. 3rd Ed. (I believe that there is a newer edition out now with a co-author as well, although the earlier edition is fine.) Chiang's book is extremely user-friendly and includes many worked examples. It is by far the most useful economics book I have ever owned and I highly recommend that you buy a copy if you plan to continue your study of economics.

ECON 1110 TIMETABLE—Spring 2014

(This schedule is subject to change as events warrant.)

1. Introduction and Macroeconomic Accounting **7, 9 Jan**

Required Readings:

Froyen, Chapters 1 and 2

2. Classical Macroeconomics (I): Equilibrium Output and Unemployment **14, 16 Jan**

Required Readings:

Froyen, Chapter 3

3. Classical Macroeconomics (II): Money, Prices, and Interest **21, 23 Jan**

Required Readings:

Froyen, Chapter 4

Additional Readings:

Handa, Chapters 2.1 and 2.2

Pigou, A.C. "The Value of Money". *Quarterly Journal of Economics*, 32, November 1917, pp. 38-65.

Further general information on the Classical paradigm can be found in books on the History of Economic Thought. The following text is recommended:

Spiegel, W. H. *The Growth of Economic Thought*. Duke University Press, 1991

4. Keynesian Macroeconomics (I): Aggregate Demand **28, 30 Jan**

Required Readings:

Froyen, Chapter 5 (8th Ed. Ch. 6)

Additional Readings:

Keynes, J.M. *The General Theory of Employment, Interest, and Money*, 1936.

5. Keynesian Macro (II): Money, Interest, and Income **4, 6, 11, 13 Feb**

Required Readings:

Froyen, Chapter 6 (8th Ed. Ch 7)

Froyen, Chapter 16 (8th Ed. Ch. 17)
Bain and Howells, *Monetary Economics*, Chapter 3

Additional Readings:

Handa, Chapter 13.1 – 13.6

Keynes, J.M. *General Theory*

Hicks, John R. "Mr Keynes and the Classics: A Suggested Interpretation".
Econometrica, 5, April 1937, pp. 147-59. (This is the article that created the IS-LM model)

6. Keynesian Macro (III): Policy Effects in the IS/LM Model **18, 20 Feb**

Required Readings:

Froyen, Chapter 7 (8th Ed. Ch. 8)

MIDTERM EXAM: TOPICS 1 – 6 **27 Feb**

7. Exchange Rates and the Open Economy: **25 Feb;
4, 6 March**

Required Readings:

Froyen, Chapter 14 and Chapter 15 (8th Ed. Ch. 15 & 16)

Additional Readings:

Any text on International Finance will cover these issues in much greater detail. I suggest Pilbeam, Keith. *International Finance*, 3rd Ed. Chapters 1, 2, and 4 are relevant to the material covered in this topic.

The following two items are the original articles written by Mundell and Fleming:
Mundell, Robert. "Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29 (November 1963), pp. 475-85.

Fleming, Marcus. "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates," International Monetary Fund *Staff Papers*, 9 (November 1962), pp. 369-79.

SPRING BREAK (NO LECTURES) **11, 13 March**

8. Keynesian Macro (IV): Aggregate Supply and Demand **18, 20, 25 March**

Required Readings:

Froyen, Chapter 8 (8th Ed. Ch. 9)

9. Austrian Business Cycle Theory **27 Mar, 1, 3 April**

Required Readings:

Rothbard, Murray. *America's Great Depression*, Chapters 1 – 2.

Available online at <http://mises.org/rothbard/agd.pdf>

Additional Readings:

The entire book above is highly recommended. The best source for additional Austrian literature is <http://mises.org>.

****ESSAY DUE AT THE BEGINNING OF LECTURE ON THE 27th OF MARCH****

10. The Monetarist Counterrevolution **8, 10 April**

Required Readings:

Froyen, Chapter 9 (8th Ed. Ch. 10)

Additional Readings:

Friedman, Milton. *The Counter-revolution in Monetary Theory*. London: Institute of Economic Affairs, 1970.

Friedman, Milton. "The Quantity Theory of Money: A Restatement". In M. Friedman, ed., *Studies in the Quantity Theory of Money*. Chicago, 1956, pp. 3-21.

11. Output, Inflation, and Unemployment: Monetarist and Keynesian Views of the Short Run and Long Run **15 April**

Required Readings:

Froyen, Chapter 10 (8th Ed. Ch. 11)

Friedman, Milton. "The Role of Monetary Policy," *American Economic Review*, 58 (March 1968) (Available on JSTOR)

12. New Classical Economics

17 April

Required Readings:

Froyen, Chapter 11 (8th Ed. Ch. 12)

Additional Readings:

Lucas, Robert E. "Expectations and the Neutrality of Money". *Journal of Economic Theory*, 4, April 1972, pp. 103-24.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations, the Optimal Monetary Policy Instrument, and the Optimal Money Supply Rule". *Journal of Political Economy*, 83, April 1975, pp. 241-54.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations and the Theory of Economic Policy". *Journal of Monetary Economics*, 2, April 1976, pp. 169-83.

At this point you should read Froyen Chapter 13 (8th Ed. Ch. 14), which provides a brief summary of all models covered in this course.

FINAL EXAM: TOPICS 7 - 12

Students in the Tuesday/Thursday 9:30 lecture: your final exam is Tuesday 22nd April at 4:00PM - 5:50PM

Students in the Tuesday/Thursday 11:00 lecture: your final exam is Saturday 26th April at 10:00AM - 11:50AM

Students in the Tuesday/Thursday 1:00 lecture: your final exam is Monday 21st April at 10:00AM - 11:50AM

The final exam will place a heavier emphasis on the material from Topics 7 – 12, but this course is cumulative in nature and final exam questions will therefore require a thorough understanding of Topics 1 – 6.

Econ 1110: Intermediate Macroeconomics, Summer 2014

Instructor: **Lulu Liu**

Email: lul24@pitt.edu

Office Hour: T&H 3:30-4:30 pm

Office Location: WWPH 4519

TA: **Shiwei Li**

Email: shl83@pitt.edu

Office Hour: M&W 10:00-11:30 am

Office Location: WWPH 4514

Course Description: This course will use macroeconomic models to study issues of economic growth, inflation, and unemployment. In the first half of the semester, we will study the characteristics of long run economic growth and economic behavior during a business cycle. In the second half of the semester, we will study macroeconomic policies, including monetary policy and fiscal policy. We will also study how the economy interacts with the worldwide economies via exchange rates and international trades. Since this is an intermediate level course, students are expected to have taken principles of economics (Econ 1010 and Econ 1011 or their equivalents). Introductory calculus is also a prerequisite, but it will not be used extensively in lectures or other elements of the course.

Class Schedule: Tuesday & Thursday, 12:00 - 3:15 pm, WWPH 4900

Textbook: Abel, Bernanke, and Croushore, *Macroeconomics*, 6th Edition or later. I put two copies of the 6th edition on reservation in the Hillman Library. You can find it using the quick link "Reserves" in the PittCat system. Each student has up to two hours circulation time each time.

Grading:

Assignments	30%
Midterm Exam	30%
Final Exam	30%
Project	10%

Letter Grade Distribution:

≥ 93.00	A	73.00 - 76.99	C
90.00 - 92.99	A-	70.00 - 72.99	C-
87.00 - 89.99	B+	67.00 - 69.99	D+
83.00 - 86.99	B	63.00 - 66.99	D
80.00 - 82.99	B-	60.00 - 62.99	D-
77.00 - 79.99	C+	≤ 59.99	F

Your grades will be posted on Courseweb. After your grades have been posted, you have 5 days to request a correction. Otherwise, your grade will remain unchanged.

Course Policies:

1. All materials for this course can be found on the Courseweb site at <http://courseweb.pitt.edu/>.
2. All assignments are due on the indicated dates before class begins (12:00 pm). No late submission is accepted. Part of the assignments will be online multiple choice questions on the Courseweb. In order to avoid the potential tech-problems with the Courseweb, I suggest completing it at least one hour before the deadline.
3. The group project lets you to make a business cycle analysis for one country of your choice (except US). This is a group work that could be cooperated among two to four students. All members in a group will have the same grade. Detailed instructions and examples will be provided later.
4. Only in very exceptional cases, such as hospitalization, students may be excused from missing an exam. Enough written evidence of the situation must be submitted. Contact me in class, or by e-mail BEFORE the exam, so we can discuss a suitable arrangement for a make-up exam.
5. Every student has the opportunity to earn up to some percentage of the points that were missed on the midterm by taking a remediation exam. Detailed instructions will be announce before the midterm.
6. All students are expected to adhere to the standards of academic honesty. Any student engaged in cheating, plagiarism, or other acts of academic dishonesty would be subject to disciplinary action. Any student suspected of violating this obligation for any reason during the semester will be required to participate in the procedural process, initiated at the instructor level, as outlined in the University Guidelines on Academic Integrity. This may include, but is not limited to the confiscation of the examination of any individual suspected of violating the University Policy.
7. If you have a disability that requires special testing accommodations or other classroom modifications, you need to notify both the instructor and Disability Resources and Services no later than the second week of the term. You may be asked to provide documentation of your disability to determine the appropriateness of accommodations. To notify Disability Resources and Services, call (412) 648-7890 (Voice or TTD) to schedule an appointment. The Disability Resources and Services office is located in 140 William Pitt Union on the Oakland campus.
8. To ensure the free and open discussion of ideas, students may not record classroom lectures, discussion and/or activities without the advance written permission of the instructor, and any such recording properly approved in advance can be used solely for the students own private use.

Tentative Course Outline:

The daily coverage might change as it depends on the progress of the class.

Date	Content
May 13	<ul style="list-style-type: none"> • Introduction: Concepts and Measures • Chapters 1 & 2
May 15	<ul style="list-style-type: none"> • Modeling the Macroeconomics: Production • Chapter 3
May 20	<ul style="list-style-type: none"> • Modeling the Macroeconomics: Consumption, Saving and Investment • Chapters 4
May 22	<ul style="list-style-type: none"> • Modeling the Macroeconomics: Financial Markets • Chapter 7 • Assignment 1 due
May 27	<ul style="list-style-type: none"> • A General Framework: The IS-LM/AD-AS Model • Chapter 9
May 29	<ul style="list-style-type: none"> • Long-Run Economic Growth • Chapters 6 • Project Example
June 03	<ul style="list-style-type: none"> • Midterm: cover materials in the first 5 lectures • Assignment 2 due
June 05	<ul style="list-style-type: none"> • Macroeconomic Policy: Unemployment and Inflation • Chapter 12
June 10	<ul style="list-style-type: none"> • Macroeconomic Policy: Monetary Policy • Chapter 14 • Assignment 3 due
June 12	<ul style="list-style-type: none"> • Macroeconomic Policy: Fiscal Policy • Chapter 15
June 17	<ul style="list-style-type: none"> • Open Economy Macroeconomics • Chapter 5 & 13 • Review for final • Project due
June 19	<ul style="list-style-type: none"> • Final Exam • Assignment 4 due

Course Outline for “Intermediate Macroeconomics” (ECON 1110)— Autumn 2014

Course Code and Title:

ECON 1110 Intermediate Macroeconomics

Lecturer:

Dr James R. Maloy

Office: Posvar 4705

Phone: 412 648 7117

E-mail: maloy@pitt.edu

Office Hours: Tuesday 3:00-4:00; Thursday 9:30-10:30; other times by appointment.

Aims and Overview:

ECON 1110 is an intermediate-level course in macroeconomic theory and policy. The course aims to provide the student with a solid understanding of macroeconomics at the intermediate level and to ensure that students can apply macroeconomic analysis to the study of economic problems. This course is designed for students who are serious in their study of economics. Students should expect the pace and content of this course to be significantly more challenging than introductory macroeconomics. This course will require considerable independent study outside of class. Successful completion of introductory microeconomics, macroeconomics and calculus are prerequisites.

The course covers the development of modern macroeconomic models. Classical, Keynesian, Austrian, Monetarist and New Classical views of the macroeconomy will be analysed and compared in detail. Key areas to be covered include the various theories of business cycles, money and prices, and unemployment, with a particular emphasis on the role of financial and monetary issues. Considerable emphasis will be placed on analysing both the strengths and weaknesses of the models and understanding the differences among macroeconomic models, as well as how they have evolved over the past century.

Course Delivery:

The course will be taught through two weekly lectures. Specific assigned reading is provided for each section of the course. Most class time will be used for lectures, although problem sets may be discussed as time arises. The lecturer will be available for consultation during advertised office hours or by appointment.

Assessment:

- A **midterm examination** worth 30% of the final course grade will take place during the lecture on **Tuesday 21st October**
- A **final examination** worth 30% of the final course grade will take place during finals week **on Wednesday 10th December at 10:00AM – 11:50AM**. You must attend at this scheduled time for your lecture.
- An independently-researched **essay** of approximately 2500 words is worth 25% of the final grade. It will be due at the beginning of your scheduled lecture on **Thursday 20th November**. The essay requirements will be provided within the first few weeks of term.
- A series of **five in-class quizzes or out-of-class assignments** (most likely quizzes) will be given during the term. Your best four scores out of the five will constitute the remaining 15% of the final grade.
- Problem sets will be distributed for each lecture topic. These are not assessed but are a fundamental part of the course. You are expected to attempt these assignments on your own. Solutions will be provided for problem sets assuming that students are not using the provided solutions as an excuse to not do their work.

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Grading Scale:

The final average is calculated using the weights specified above and will be rounded to the nearest integer.

A	92 – 100
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D-	60 – 61
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Reading:

ECON 1110 is textbook-based. The primary text will be:

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You are required to have access to this textbook. There is a study guide that accompanies this book that you may order if you so wish. The 2005 8th or 2009 9th editions are also acceptable.

The readings in this course outline are divided into two sections. **Readings under the heading "Required Readings" are mandatory and you will be expected to be familiar with this material for exams, even if it is not explicitly discussed in the lectures!** Readings under the heading "Additional Readings" are not required but are there for students who want more information. Any student who wants further information on any topic should consult the lecturer for additional sources.

Supplementary texts:

Supplementary texts are available for your reference should the primary text leave you confused or you want more information. Suggested intermediate level macroeconomics texts include (there are probably newer editions of some of these books available):

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Gordon, Robert. *Macroeconomics*, 8th Ed. Reading, MA: Addison Wesley Longman, 2001.

Burda, M. and C. Wyplosz. *Macroeconomics: A European Text*, 2nd or 3rd Ed. Oxford: Oxford University Press, 1997 (2nd Ed.); 2001 (3rd Ed.).

Blanchard, O. *Macroeconomics*. Upper Saddle River, NJ: Prentice Hall, 1997.

A considerable portion of the course will cover topics related to monetary economics, an important branch of macroeconomics. The student may wish to consult a textbook specifically on monetary economics to improve his/her understanding of these topics. The following textbooks are recommended:

Bain, K. and P. Howells. *Monetary Economics*. Palgrave, 2003.

Handa, Jagdish. *Monetary Economics*. Routledge, 2000.

Students may also wish to expand their knowledge by consulting advanced textbooks. The "standard" postgraduate macroeconomics textbook is:

Romer, David. *Advanced Macroeconomics*. New York: McGraw-Hill.

Although this course is not overly mathematical, if you are having any difficulty with calculus I highly recommend that you consult: Chiang, Alpha. *Fundamental Methods of*

Mathematical Economics. 3rd Ed. (I believe that there is a newer edition out now with a co-author as well, although the earlier edition is fine.) Chiang's book is extremely user-friendly and includes many worked examples. It is by far the most useful economics book I have ever owned and I highly recommend that you buy a copy if you plan to continue your study of economics.

ECON 1110 TIMETABLE—Autumn 2014

(This schedule is subject to change as events warrant.)

1. Introduction and Macroeconomic Accounting **26, 28 Aug**

Required Readings:

Froyen, Chapters 1 and 2

2. Classical Macroeconomics (I): Equilibrium Output and Unemployment **2, 4 Sept**

Required Readings:

Froyen, Chapter 3

3. Classical Macroeconomics (II): Money, Prices, and Interest **9, 11 Sept**

Required Readings:

Froyen, Chapter 4

Additional Readings:

Handa, Chapters 2.1 and 2.2

Pigou, A.C. "The Value of Money". *Quarterly Journal of Economics*, 32, November 1917, pp. 38-65.

Further general information on the Classical paradigm can be found in books on the History of Economic Thought. The following text is recommended:

Spiegel, W. H. *The Growth of Economic Thought*. Duke University Press, 1991

4. Keynesian Macroeconomics (I): Aggregate Demand **16, 18 Sept**

Required Readings:

Froyen, Chapter 5 (8th Ed. Ch. 6)

Additional Readings:

Keynes, J.M. *The General Theory of Employment, Interest, and Money*, 1936.

5. Keynesian Macro (II): Money, Interest, and Income **23, 25, 30 Sept
2 Oct**

Required Readings:

Froyen, Chapter 6 (8th Ed. Ch 7)

Froyen, Chapter 16 (8th Ed. Ch. 17)

Bain and Howells, *Monetary Economics*, Chapter 3

Additional Readings:

Handa, Chapter 13.1 – 13.6

Keynes, J.M. *General Theory*

Hicks, John R. "Mr Keynes and the Classics: A Suggested Interpretation".

Econometrica, 5, April 1937, pp. 147-59. (This is the article that created the IS-LM model)

6. Keynesian Macro (III): Policy Effects in the IS/LM Model **7, 9 Oct**

Required Readings:

Froyen, Chapter 7 (8th Ed. Ch. 8)

NO LECTURE (AUTUMN BREAK) **14 Oct**

MIDTERM EXAM: TOPICS 1 – 6 **21 Oct**

7. Exchange Rates and the Open Economy: **16, 23, 28 Oct**

Required Readings:

Froyen, Chapter 14 and Chapter 15 (8th Ed. Ch. 15 & 16)

Additional Readings:

Any text on International Finance will cover these issues in much greater detail. I suggest:

Pilbeam, Keith. *International Finance*, 3rd Ed. Chapters 1, 2, and 4 are relevant to the material covered in this topic.

The following two items are the original articles written by Mundell and Fleming:

Mundell, Robert. "Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29 (November 1963), pp. 475-85.

Fleming, Marcus. "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates," International Monetary Fund *Staff Papers*, 9 (November 1962), pp. 369-79.

8. Keynesian Macro (IV): Aggregate Supply and Demand

**30 Oct
4, 6 Nov**

Required Readings:

Froyen, Chapter 8 (8th Ed. Ch. 9)

9. Austrian Economic Theory

11, 13, 18 Nov

Required Readings:

Rothbard, Murray. *America's Great Depression*, Chapters 1 – 3.

Available online at <http://mises.org/rothbard/agd.pdf>

Additional Readings:

The entire book above is highly recommended. The best source for additional Austrian literature is <http://mises.org>.

****ESSAY DUE AT THE BEGINNING OF LECTURE ON THE 20TH OF NOVEMBER****

10. The Monetarist Counterrevolution

20, 25 Nov

Required Readings:

Froyen, Chapter 9 (8th Ed. Ch. 10)

Additional Readings:

Friedman, Milton. *The Counter-revolution in Monetary Theory*. London: Institute of Economic Affairs, 1970.

Friedman, Milton. "The Quantity Theory of Money: A Restatement". In M. Friedman, ed., *Studies in the Quantity Theory of Money*. Chicago, 1956, pp. 3-21.

NO LECTURE (THANKSGIVING)

27 Nov

11. Output, Inflation, and Unemployment: Monetarist and Keynesian Views of the Short Run and Long Run

2 Dec

Required Readings:

Froyen, Chapter 10 (8th Ed. Ch. 11)

Friedman, Milton. "The Role of Monetary Policy," *American Economic Review*, 58 (March 1968) (Available on JSTOR)

12. New Classical Economics

4 Dec

Required Readings:

Froyen, Chapter 11 (8th Ed. Ch. 12)

Additional Readings:

- Lucas, Robert E. "Expectations and the Neutrality of Money". *Journal of Economic Theory*, 4, April 1972, pp. 103-24.
- Sargent, Thomas J., and Neil Wallace. "Rational Expectations, the Optimal Monetary Policy Instrument, and the Optimal Money Supply Rule". *Journal of Political Economy*, 83, April 1975, pp. 241-54.
- Sargent, Thomas J., and Neil Wallace. "Rational Expectations and the Theory of Economic Policy". *Journal of Monetary Economics*, 2, April 1976, pp. 169-83.

At this point you should read Froyen Chapter 13 (8th Ed. Ch. 14), which provides a brief summary of all models covered in this course.

FINAL EXAM: TOPICS 7 - 12

Wednesday 10th December, 10:00 AM -11:50 AM

You must attend the final exam at the assigned time. The final exam will place a heavier emphasis on the material from topics 7 – 12, but this course is cumulative in nature and final exam questions will therefore require a thorough understanding of topics 1 – 6.

This is a course in intermediate level macroeconomics. Macroeconomics is the study of the behavior of economic aggregates such as national income, the national unemployment rate, the rate of inflation, and the rate of economic growth. In this course, we will focus attention on the magnitudes and patterns of behavior of these phenomena and then build and analyze a set of models that will help you to understand why and how this behavior takes place. Students are expected to have taken principles of economics (Econ 0110 and Econ 0111 or their equivalents). Introductory calculus is also a prerequisite; it will be used occasionally but not extensively in lectures and other elements of the course.

Office: 4508 Posvar Hall

Office Hours: T, Th after class -4, F 1:30-3.

Phone: PH: 412-648-1757 (or 412-648-1730)

E-Mail: husted1@pitt.edu

Web: <http://www.pitt.edu/~husted1/husted1.htm>

Undergraduate Teaching Assistant: Kathryn Holston (kahl64@pitt.edu)

Online course materials: All materials for this course can be found on the CourseWeb site at <http://courseweb.pitt.edu/>. Please be sure to check this site regularly. Quiz scores will be posted after each quiz. Links to additional reading materials will be posted as they appear in the news.

Required Text: R. Dornbusch, S. Fischer, and R. Starz, *Macroeconomics*, 12th ed. (2014)¹

Helpful Web Sites:

Bloomberg.com [Economic Calendar](#)

[Financial Times](#) (note: full access to this site requires a subscription)

[The Wall Street Journal](#) (note: full access to this site requires a subscription)

Government Printing Office, [Economic Indicators](#)

Council of Economic Advisers, [Economic Report of the President](#)

St. Louis Fed, [Fred data base](#)

Many economists now post comments on economic events and policy on a regular basis, and I encourage you to check one or more on a regular basis. Some examples of economics blogs include the following:

Jerod Bernstein, [On the Economy](#)

Mark Thoma, [Economist's View](#)

James D. Hamilton and Menzie Chinn, [Econbrowser](#)

David Altig, [macroblog](#)

Tyler Cowen and Alex Tabarrok, [Marginal Revolution](#)

The first two are slightly to the left, the third is neutral, and the last two are slightly to the right.

Grading Policy:	Daily Quizzes:	10% ²	
	Homeworks:	20%	
	Midterm #1	20%	
	Midterm #2	20%	
	Final:	30%	(Tuesday December 9, 2014 10-11:50 a.m.)

¹ Earlier editions of this book are fine to use, although some of the chapters, end of chapter questions, etc. may not correspond to those in this edition. Alternatively, electronic copies are available on the [CourseSmart](#) web site.

² Grade based on the best 20 (out of 25) scores. Bonus grade awarded to students with 22 or more quiz scores.

Homeworks:

At least every other week I will suggest a number of homework exercises related to the topic that is being studied in class, and these exercises will be very similar to many of the questions found on the exams. It is your responsibility to try to solve the exercises. These homeworks will be collected on pre-announced due dates (electronic submissions will NOT be accepted). The homework questions will be graded according to the following formula. Completed questions will earn 5 points, regardless of whether or not the answers are completely correct. Partially completed questions will be awarded 2 points. Unanswered questions earn 0 points. **Late assignments will not be accepted and will also earn 0 points.** Answer keys will not be provided although I will be happy to solve any or all of the exercises during class after the due date. Also, I will offer several special review sessions and office hours where you can discuss these problems with me and/or the TA to see how the problems can be solved. During these sessions and during class you may ask specific questions about the exercises. You should come to class, ask me questions on the exercises, and/or discuss them with your classmates. In addition, feel free to work with your classmates on these problems, although **you must each turn in a completed assignment in order to earn credit for the homework.** Photocopied submissions of assignments done by others will not be accepted.

Course Outline ^{3 4}:

Introduction to Macroeconomics	Chapter 1 (skim)
National Income Accounting	Chapter 2
Aggregate Supply & Demand (intro)	Chapter 5 (skim)
Income & Spending	Chapter 10
Money, Interest, & Income	Chapter 11
Aggregate Supply & the Phillips Curve	Chapter 7

Midterm 1

Thursday October 9

Monetary & Fiscal Policy	Chapter 12
International Linkages	Chapter 13
The Fed, Money, and Credit	Chapter 17
The National Debt	Chapter 20

Midterm 2

Thursday November 13

Economic Growth	Chapters 3 & 4
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Final Exam

Tuesday December 9, 2014 10-11:50 a.m.

Course Policies

- (1) **Make-up exams will be allowed only under extreme circumstances, such as illness. In order to schedule a make-up exam you must notify me prior to the exam and provide a written note from your doctor.**
- (2) **G grades are given only in emergencies and only to students who have been doing satisfactory work. Requests for G grades must be in writing.**
- (3) **The use of cell phones for any reason, INCLUDING TEXTING, during class will not be tolerated. Please turn your phone off before class begins.**

³ **The midterm and final exam dates are written in stone**, but I may choose to alter the chapter assignments (or omit chapters entirely) depending upon how long it takes to cover essential material. Changes to the syllabus (if any) will be posted on CourseWeb.

⁴ **Class will not meet on Tuesday October 16 not Thursday October 18.**

- (4) Students in this course will be expected to comply with the University of Pittsburgh's Policy on Academic Integrity. Any student suspected of violating this obligation for any reason during the semester will be required to participate in the procedural process, initiated at the instructor level, as outlined in the University Guidelines on Academic Integrity. This may include, but is not limited to, the confiscation of the examination of any individual suspected of violating University Policy. Furthermore, no student may bring any unauthorized materials to an exam, including dictionaries and programmable calculators.**
- (5) If you have a disability that requires special testing accommodations or other classroom modifications, you need to notify both the Disability Resources and Services office and me no later than the 2nd week of the term. You may be asked to provide documentation of your disability to determine the appropriateness of accommodations. To notify Disability Resources and Services, call 412-648-7890 to schedule an appointment. The office is located in 140 William Pitt Union.**

ECON 1110: Intermediate Macroeconomics

Syllabus

Course Website: iamlemec.github.io

Lectures: MW 4:30-5:45, 314 Bellefield Hall

Instructor

Doug Hanley, (dohan@as.pitt.edu)

Office hours Tuesday 4:00-5:00, 4712 Posvar Hall (my office)

Undergrad TA

Nick Reslink (nmr36@pitt.edu)

Office hours Thurs 2:00-3:00, 4524 Posvar Hall

Graduate TA

Ray Miller (hrm19@pitt.edu)

Office hours by appointment, 4923 Posvar Hall

Description

This course will provide the student with a thorough understanding of macroeconomic theory and ensure that they can utilize the methods of macroeconomic analysis. The course covers the development of modern macroeconomic theory, including both old and new variants of classical and Keynesian approaches. Key areas to be covered include theories of business cycles, employment, economic growth, and macroeconomic policy.

Considerable emphasis will be placed on investigating the quantitative implications of various models and assessing their successes and failures from an empirical perspective. Students are required to have completed both introductory microeconomics and macroeconomics before enrolling. Knowledge of elementary calculus is required.

Materials

The textbook for this course will be *Macroeconomics* (Fifth Edition) by Stephen Williamson. It covers many of the fundamental concepts in the course (and more), but we'll also go into more detail on other topics. There isn't going to be a one-to-one correspondence between the lectures and book chapters, but I'll let you know the most relevant sections for each lecture.

Assignments

There will be six problem sets in total. Accounting for exams, this works out to one homework approximately every two weeks. The grades of the top five homeworks will be averaged to constitute 30% of your final grade. Each assignment will have a set due date and time, and late assignments will receive zero credit.

Exams

There will also be a final and a midterm. Each of these will account for 35% of your final grade. The final exam will be non-cumulative, meaning it will explicitly cover material only from the second half of the course, though understanding of the first half will naturally help. Make-up exams will be offered only under extreme circumstances. To secure a make-up exam, you must notify me before the regular exam and provide documentation, such as a note from a doctor.

Office Hours

I will be holding weekly office hours on Tuesdays at 4pm (4712 Posvar). Feel free to come by and ask about anything. I can also schedule meetings by request. My undergraduate TA will also be holding weekly office hours on Thursdays at 2pm (4524 Posvar).

Course Schedule

Week	Dates	Topic	Book Chapters
1	1/5 + 1/7	Introduction + Measurement	1 + 2 + 3
2	1/12 + 1/14	Consumers + Producers	4 + 5
3	1/19 + 1/21		
4	1/26 + 1/28		
5	2/2 + 2/4		
6	2/9 + 2/11		
7	2/16 + 2/18	Review + Midterm	
8	2/23 + 2/25		
9	3/2 + 3/4		
10	3/9 + 3/11	Spring Break	
11	3/16 + 3/18		
12	3/23 + 3/25		
13	3/30 + 4/1		
14	4/6 + 4/8		
15	4/13 + 4/15	Review	

Course Outline for “Intermediate Macroeconomics” (ECON 1110)— Spring 2015

Course Code and Title:

ECON 1110 Intermediate Macroeconomics

Lecturer:

Dr James R. Maloy

Office: Posvar 4705

Phone: 412 648 7117

E-mail: maloy@pitt.edu

Office Hours: Tuesday 4:00 - 5:00, Thursday 1:30-2:30; other times by appointment.

Aims and Overview:

ECON 1110 is an intermediate-level course in macroeconomic theory and policy. The course aims to provide the student with a solid understanding of macroeconomics at the intermediate level and to ensure that students can apply macroeconomic analysis to the study of economic problems. This course is designed for students who are serious in their study of economics. Students should expect the pace and content of this course to be significantly more challenging than introductory macroeconomics. This course will require considerable independent study outside of class. Successful completion of introductory microeconomics, macroeconomics and calculus are prerequisites.

The course covers the development of modern macroeconomic models. Classical, Keynesian, Austrian, Monetarist and New Classical views of the macroeconomy will be analysed and compared in detail. Key areas to be covered include the various theories of business cycles, money and prices, and unemployment, with a particular emphasis on the role of financial and monetary issues. Considerable emphasis will be placed on analysing both the strengths and weaknesses of the models and understanding the differences among macroeconomic models, as well as how they have evolved over the past century. .

Course Delivery:

The course will be taught through two weekly lectures. Specific assigned reading is provided for each section of the course. Most class time will be used for lectures, although problem sets may be discussed as time arises. The lecturer will be available for consultation during advertised office hours or by appointment.

Assessment:

- A **midterm examination** worth 30% of the final course grade will take place during the lecture on **Thursday 26th February**
- A **final examination** worth 30% of the final course grade will take place during finals week. **The finals are on Tuesday 21st April at 2:00PM--3:50PM for the Tuesday/Thursday 8:00 lecture and Saturday 25th April at 8:00AM--9:50AM for the Tuesday/Thursday 9:30 lecture.** You must attend at the scheduled time for your lecture.
- An independently-researched **essay** of approximately 2500 words constitutes 25% of the final grade. It will be due at the beginning of your scheduled lecture on **Thursday 2nd April**. The essay requirements will be provided within the first few weeks of term.
- A series of **five in-class quizzes or out-of-class assignments** (most likely quizzes) will be given during the term. Your best four scores out of the five will constitute the remaining 15% of the final grade.
- Problem sets will be distributed for each lecture topic. These are not assessed but are a fundamental part of the course. You are expected to attempt these assignments on your own. Solutions will be provided for problem sets assuming that students are not using the provided solutions as an excuse to not do their work.

The exams will test your knowledge and understanding of the material covered in the course, your ability to manipulate, compare, and logically explain diagrammatic and mathematical versions of the models, your ability to apply the models and theories to real world situations, and your ability to critically appraise the models and their applications.

Grading Scale:

The final average is calculated using the weights specified above and will be rounded to the nearest integer. Letter grades are as specified below.

A	92 – 100
A-	90 - 91
B+	88 – 89
B	82 – 87
B-	80 – 81
C+	78 – 79
C	72 – 77
C-	70 – 71
D+	68 – 69
D	62 – 67
D-	60 – 61
F	0 – 59

Reading:

ECON 1110 is textbook-based. The primary text will be:

Froyen, Richard T. *Macroeconomics: Theories and Policies*, 10th Ed. Upper Saddle River, NJ: Pearson/Prentice-Hall, 2013. ISBN-10: 0-13-283152-X; ISBN-13: 978-0-13-283152-9

You are required to have access to this textbook. There is a study guide that accompanies this book that you may order if you so wish. The 2005 8th or 2009 9th editions are also acceptable.

The readings in this course outline are divided into two sections. **Readings under the heading "Required Readings" are mandatory and you will be expected to be familiar with this material for exams, even if it is not explicitly discussed in the lectures!** Readings under the heading "Additional Readings" are not required but are there for students who want more information. Any student who wants further information on any topic should consult the lecturer for additional sources.

Supplementary texts:

Supplementary texts are available for your reference should the primary text leave you confused or you want more information. Suggested intermediate level macroeconomics texts include (there are probably newer editions of some of these books available):

Miller, R. L. and D. Van Hoose, *Macroeconomics : Theories, Policies, and International Applications*, South West College Publishing, 2003.

Gordon, Robert. *Macroeconomics*, 8th Ed. Reading, MA: Addison Wesley Longman, 2001.

Burda, M. and C. Wyplosz. *Macroeconomics: A European Text*, 2nd or 3rd Ed. Oxford: Oxford University Press, 1997 (2nd Ed.); 2001 (3rd Ed.).

Blanchard, O. *Macroeconomics*. Upper Saddle River, NJ: Prentice Hall, 1997.

A considerable portion of the course will cover topics related to monetary economics, an important branch of macroeconomics. The student may wish to consult a textbook specifically on monetary economics to improve his/her understanding of these topics. The following textbooks are recommended:

Bain, K. and P. Howells. *Monetary Economics*. Palgrave, 2003.

Handa, Jagdish. *Monetary Economics*. Routledge, 2000.

Students may also wish to expand their knowledge by consulting advanced textbooks. The "standard" postgraduate macroeconomics textbook is:

Romer, David. *Advanced Macroeconomics*. New York: McGraw-Hill.

Although this course is not overly mathematical, if you are having any difficulty with calculus I highly recommend that you consult Chiang, Alpha. *Fundamental Methods of*

Mathematical Economics. 3rd Ed. (I believe that there is a newer edition out now with a co-author as well, although the earlier edition is fine.) Chiang's book is extremely user-friendly and includes many worked examples. It is by far the most useful economics book I have ever owned and I highly recommend that you buy a copy if you plan to continue your study of economics.

ECON 1110 TIMETABLE—Spring 2015

(This schedule is subject to change as events warrant.)

1. Introduction and Macroeconomic Accounting **6, 8 Jan**

Required Readings:

Froyen, Chapters 1 and 2

2. Classical Macroeconomics (I): Equilibrium Output and Unemployment **13, 15 Jan**

Required Readings:

Froyen, Chapter 3

3. Classical Macroeconomics (II): Money, Prices, and Interest **20, 22 Jan**

Required Readings:

Froyen, Chapter 4

Additional Readings:

Handa, Chapters 2.1 and 2.2

Pigou, A.C. "The Value of Money". *Quarterly Journal of Economics*, 32, November 1917, pp. 38-65.

Further general information on the Classical paradigm can be found in books on the History of Economic Thought. The following text is recommended:

Spiegel, W. H. *The Growth of Economic Thought*. Duke University Press, 1991

4. Keynesian Macroeconomics (I): Aggregate Demand **27, 29 Jan**

Required Readings:

Froyen, Chapter 5 (8th Ed. Ch. 6)

Additional Readings:

Keynes, J.M. *The General Theory of Employment, Interest, and Money*, 1936.

5. Keynesian Macro (II): Money, Interest, and Income **3, 5, 10, 12 Feb**

Required Readings:

Froyen, Chapter 6 (8th Ed. Ch 7)

Froyen, Chapter 16 (8th Ed. Ch. 17)
Bain and Howells, *Monetary Economics*, Chapter 3

Additional Readings:

Handa, Chapter 13.1 – 13.6

Keynes, J.M. *General Theory*

Hicks, John R. "Mr Keynes and the Classics: A Suggested Interpretation".
Econometrica, 5, April 1937, pp. 147-59. (This is the article that created the IS-LM model)

6. Keynesian Macro (III): Policy Effects in the IS/LM Model **17, 19 Feb**

Required Readings:

Froyen, Chapter 7 (8th Ed. Ch. 8)

MIDTERM EXAM: TOPICS 1 – 6 **26 Feb**

7. Exchange Rates and the Open Economy: **24 Feb;
3, 5 March**

Required Readings:

Froyen, Chapter 14 and Chapter 15 (8th Ed. Ch. 15 & 16)

Additional Readings:

Any text on International Finance will cover these issues in much greater detail. I suggest Pilbeam, Keith. *International Finance*, 3rd Ed. Chapters 1, 2, and 4 are relevant to the material covered in this topic.

The following two items are the original articles written by Mundell and Fleming:
Mundell, Robert. "Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29 (November 1963), pp. 475-85.

Fleming, Marcus. "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates," International Monetary Fund *Staff Papers*, 9 (November 1962), pp. 369-79.

SPRING BREAK (NO LECTURES) **10, 12 March**

8. Keynesian Macro (IV): Aggregate Supply and Demand

17, 19, 24 March

Required Readings:

Froyen, Chapter 8 (8th Ed. Ch. 9)

9. Austrian Business Cycle Theory

26, 31 Mar, 2 April

Required Readings:

Rothbard, Murray. *America's Great Depression*, Chapters 1 – 2.

Available online at <http://mises.org/rothbard/agd.pdf>

Additional Readings:

The entire book above is highly recommended. The best source for additional Austrian literature is <http://mises.org>.

****ESSAY DUE AT THE BEGINNING OF LECTURE ON THE 2ND OF APRIL****

10. The Monetarist Counterrevolution

7, 9 April

Required Readings:

Froyen, Chapter 9 (8th Ed. Ch. 10)

Additional Readings:

Friedman, Milton. *The Counter-revolution in Monetary Theory*. London: Institute of Economic Affairs, 1970.

Friedman, Milton. "The Quantity Theory of Money: A Restatement". In M. Friedman, ed., *Studies in the Quantity Theory of Money*. Chicago, 1956, pp. 3-21.

11. Output, Inflation, and Unemployment: Monetarist and Keynesian Views of the Short Run and Long Run

14 April

Required Readings:

Froyen, Chapter 10 (8th Ed. Ch. 11)

Friedman, Milton. "The Role of Monetary Policy," *American Economic Review*, 58 (March 1968) (Available on JSTOR)

12. New Classical Economics

16 April

Required Readings:

Froyen, Chapter 11 (8th Ed. Ch. 12)

Additional Readings:

Lucas, Robert E. "Expectations and the Neutrality of Money". *Journal of Economic Theory*, 4, April 1972, pp. 103-24.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations, the Optimal Monetary Policy Instrument, and the Optimal Money Supply Rule". *Journal of Political Economy*, 83, April 1975, pp. 241-54.

Sargent, Thomas J., and Neil Wallace. "Rational Expectations and the Theory of Economic Policy". *Journal of Monetary Economics*, 2, April 1976, pp. 169-83.

At this point you should read Froyen Chapter 13 (8th Ed. Ch. 14), which provides a brief summary of all models covered in this course.

FINAL EXAM: TOPICS 7 - 12

Students in the Tuesday/Thursday 8:00 lecture: your final exam is Tuesday 21st April at 2:00PM - 3:50PM

Students in the Tuesday/Thursday 9:30 lecture: your final exam is Saturday 25th April at 8:00AM - 9:50AM

The final exam will place a heavier emphasis on the material from Topics 7 – 12, but this course is cumulative in nature and final exam questions will therefore require a thorough understanding of Topics 1 – 6.

This is a course in intermediate level macroeconomics. Macroeconomics is the study of the behavior of economic aggregates such as national income, the national unemployment rate, the rate of inflation, and the rate of economic growth. In this course, we will focus attention on the magnitudes and patterns of behavior of these phenomena and then build and analyze a set of models that will help you to understand why and how this behavior takes place. Students are expected to have taken principles of economics (Econ 0110 and Econ 0111 or their equivalents). Introductory calculus is also a prerequisite; it will be used occasionally but not extensively in lectures and other elements of the course.

Office: 4508 Posvar Hall

Phone: PH: 412-648-1757 (or 412-648-1730)

Web: <http://www.pitt.edu/~husted1/husted1.htm>

Office Hours: To be announced

E-Mail: husted1@pitt.edu

Undergraduate Teaching Assistant: Patrick Farrell (pwf6@pitt.edu)

Graduate Teaching Assistant: to be announced

Online course materials: All materials for this course can be found on the CourseWeb site at <http://courseweb.pitt.edu/>. Please be sure to check this site regularly. Quiz scores will be posted after each quiz. Links to additional reading materials will be posted as they appear in the news.

Required Text: R. Dornbusch, S. Fischer, and R. Starz, *Macroeconomics*, 12th ed. (2014)¹

Helpful Web Sites:

Bloomberg.com [Economic Calendar](#)

[Financial Times](#) (note: full access to this site requires a subscription)

[The Wall Street Journal](#) (note: full access to this site requires a subscription)

Government Printing Office, [Economic Indicators](#)

Council of Economic Advisers, [Economic Report of the President](#)

St. Louis Fed, [Fred data base](#)

Many economists now post comments on economic events and policy on a regular basis, and I encourage you to check one or more on a regular basis. Some examples of economics blogs include the following:

Jerod Bernstein, [On the Economy](#)

Mark Thoma, [Economist's View](#)

James D. Hamilton and Menzie Chinn, [Econbrowser](#)

David Altig, [macroblog](#)

The first two are slightly to the left, the third is neutral, and the last is slightly to the right.

Grading Policy:	Daily Quizzes:	10% ²	
	Homeworks:	20%	
	Midterm #1	20%	
	Midterm #2	20%	
	Final:	30%	(Saturday April 25, 8-9:50 a.m.)

¹ Earlier editions of this book are around, although I would advise against using them since some of the chapters, end of chapter questions, and data do not always correspond to those found in this edition. I have asked the bookstore to order a paperback version of the book which is substantially cheaper than the hardcover. Alternatively, electronic copies are available on the [CourseSmart](#) web site.

² Grade based on the best 20 (out of 25) scores. Bonus grade awarded to students with 22 or more quiz scores.

Homeworks:

At least every other week I will suggest a number of homework exercises related to the topic that is being studied in class, and these exercises will be very similar to many of the questions found on the exams. In addition, in some cases you will be asked to download and construct various economic data.³ It is your responsibility to try to solve the exercises. These homeworks will be collected on pre-announced due dates (electronic submissions will NOT be accepted). **Late assignments will not be accepted.** Answer keys will not be provided although I will be happy to solve any or all of the exercises during class after the due date. Also, I will offer several special review sessions and office hours where you can discuss these problems with me and/or the TAs to see how the problems can be solved. During these sessions and during class you may ask specific questions about the exercises. You should come to class, ask me questions on the exercises, and/or discuss them with your classmates. In addition, feel free to work with your classmates on these problems, although **you must each turn in a completed assignment in order to earn credit for the homework.** Photocopied submissions of assignments done by others will not be accepted.

Course Outline: ⁴

Introduction to Macroeconomics	Chapter 1 (skim)
National Income Accounting	Chapter 2 (up to section 2-8)
Income & Spending	Chapter 10
Money, Interest, & Income	Chapter 11
Aggregate Supply & the Phillips Curve	Chapter 6
<i>Midterm 1</i>	Thursday February 12
Monetary & Fiscal Policy	Chapter 12
Policy Implementation	Chapters 9 & 18
The Fed, Money, and Credit	Chapter 17
The National Debt	Chapter 20
<i>Midterm 2</i>	Thursday March 26
Economic Growth	Chapters 3 & 4
<i>Final Exam</i>	Saturday April 25 8-9:50 a.m.

Course Policies

- (1) **Make-up exams will be allowed only under extreme circumstances, such as illness. In order to schedule a make-up exam you must notify me prior to the exam and provide a written note from your doctor.**
- (2) **G grades are given only in emergencies and only to students who have been doing satisfactory work. Requests for G grades must be in writing.**
- (3) **The use of cell phones for any reason, INCLUDING TEXTING, during class will not be tolerated. PLEASE TURN YOUR PHONE OFF BEFORE CLASS BEGINS.**

³ Knowledge of simple commands in a spreadsheet program such as Excel will be helpful here. If you have problems with this, DON'T HESITATE TO COME TO MY OFFICE FOR HELP.

⁴ **The midterm and final exam dates are written in stone**, but I may choose to alter the chapter assignments (or omit chapters entirely) depending upon how long it takes to cover essential material. Changes to the syllabus (if any) will be posted on CourseWeb.

- (4) Students in this course will be expected to comply with the University of Pittsburgh's Policy on Academic Integrity. Any student suspected of violating this obligation for any reason during the semester will be required to participate in the procedural process, initiated at the instructor level, as outlined in the University Guidelines on Academic Integrity. This may include, but is not limited to, the confiscation of the examination of any individual suspected of violating University Policy. Furthermore, no student may bring any unauthorized materials to an exam, including dictionaries and programmable calculators.**
- (5) If you have a disability that requires special testing accommodations or other classroom modifications, you need to notify both the Disability Resources and Services office and me no later than the 2nd week of the term. You may be asked to provide documentation of your disability to determine the appropriateness of accommodations. To notify Disability Resources and Services, call 412-648-7890 to schedule an appointment. The office is located in 140 William Pitt Union.**

Course Outline for “Intermediate Macroeconomics” (ECON 1110)— Autumn 2015

Course Code and Title:

ECON 1110 Intermediate Macroeconomics

Lecturer:

Dr James R. Maloy

Office: Posvar 4705

Phone: 412 648 7117

E-mail: maloy@pitt.edu

Office Hours: Tuesday 3:00-4:00; Thursday 9:30-10:30; other times by appointment.

Aims and Overview:

ECON 1110 is an intermediate-level course in macroeconomic theory and policy. The course aims to provide the student with a solid understanding of macroeconomics at the intermediate level and to ensure that students can apply macroeconomic analysis to the study of economic problems. This course is designed for students who are serious in their study of economics. Students should expect the pace and content of this course to be significantly more challenging than introductory macroeconomics. This course will require considerable independent study outside of class. Successful completion of introductory microeconomics, macroeconomics and calculus are prerequisites.

The course covers the development of modern macroeconomic models. Classical, Keynesian, Austrian, Monetarist and New Classical views of the macroeconomy will be analysed and compared in detail. Key areas to be covered include the various theories of business cycles, money and prices, and unemployment, with a particular emphasis on the role of financial and monetary issues. Considerable emphasis will be placed on analysing both the strengths and weaknesses of the models and understanding the differences among macroeconomic models, as well as how they have evolved over the past century.

Course Delivery:

The course will be taught through two weekly lectures. Specific assigned reading is provided for each section of the course. Most class time will be used for lectures, although problem sets may be discussed as time arises. The lecturer will be available for consultation during advertised office hours or by appointment.

Assessment:

- A **midterm examination** worth 30% of the final course grade will take place during the lecture on **Tuesday 27th October**
- A **final examination** worth 30% of the final course grade will take place during finals week **on Wednesday 16th December at 10:00AM – 11:50AM**. You must attend at this scheduled time for your lecture.
- An independently-researched **essay** of approximately 2500 words is worth 25% of the final grade. It will be due at the beginning of your scheduled lecture on **Tuesday 17th November**. The essay requirements will be provided within the first few weeks of term.
- A series of **five in-class quizzes or out-of-class assignments** (most likely quizzes) will be given during the term. Your best four scores out of the five will constitute the remaining 15% of the final grade.
- Problem sets will be distributed for each lecture topic. These are not assessed but are a fundamental part of the course. You are expected to attempt these assignments on your own. Solutions will be provided for problem sets assuming that students are not using the provided solutions as an excuse to not do their work.

The exams will test your knowledge and understanding of the material covered in the course, your ability to manipulate, compare, and logically explain diagrammatic and mathematical versions of the models, your ability to apply the models and theories to real world situations, and your ability to critically appraise the models and their applications.

Grading Scale:

The final average is calculated using the weights specified above and will be rounded to the nearest integer.

A	92 – 100
A-	90 - 91
B+	88 – 89
B	82 – 87
B-	80 – 81
C+	78 – 79
C	72 – 77
C-	70 – 71
D+	68 – 69
D	62 – 67
D-	60 – 61
F	0 – 59

Reading:

ECON 1110 is textbook-based. The primary text will be:

Froyen, Richard T. *Macroeconomics: Theories and Policies*, 10th Ed. Upper Saddle River, NJ: Pearson/Prentice-Hall, 2013. ISBN-10: 0-13-283152-X; ISBN-13: 978-0-13-283152-9

You are required to have access to this textbook. There is a study guide that accompanies this book that you may order if you so wish. The 2005 8th or 2009 9th editions are also acceptable.

The readings in this course outline are divided into two sections. **Readings under the heading "Required Readings" are mandatory and you will be expected to be familiar with this material for exams, even if it is not explicitly discussed in the lectures!** Readings under the heading "Additional Readings" are not required but are there for students who want more information. Any student who wants further information on any topic should consult the lecturer for additional sources.

Supplementary texts:

Supplementary texts are available for your reference should the primary text leave you confused or you want more information. Suggested intermediate level macroeconomics texts include (there are probably newer editions of some of these books available):

Miller, R. L. and D. Van Hoose, *Macroeconomics : Theories, Policies, and International Applications*, South West College Publishing, 2003.

Gordon, Robert. *Macroeconomics*, 8th Ed. Reading, MA: Addison Wesley Longman, 2001.

Burda, M. and C. Wyplosz. *Macroeconomics: A European Text*, 2nd or 3rd Ed. Oxford: Oxford University Press, 1997 (2nd Ed.); 2001 (3rd Ed.).

Blanchard, O. *Macroeconomics*. Upper Saddle River, NJ: Prentice Hall, 1997.

A considerable portion of the course will cover topics related to monetary economics, an important branch of macroeconomics. The student may wish to consult a textbook specifically on monetary economics to improve his/her understanding of these topics. The following textbooks are recommended:

Bain, K. and P. Howells. *Monetary Economics*. Palgrave, 2003.

Handa, Jagdish. *Monetary Economics*. Routledge, 2000.

Students may also wish to expand their knowledge by consulting advanced textbooks. The "standard" postgraduate macroeconomics textbook is:

Romer, David. *Advanced Macroeconomics*. New York: McGraw-Hill.

Although this course is not overly mathematical, if you are having any difficulty with calculus I highly recommend that you consult: Chiang, Alpha. *Fundamental Methods of*

Mathematical Economics. 3rd Ed. (I believe that there is a newer edition out now with a co-author as well, although the earlier edition is fine.) Chiang's book is extremely user-friendly and includes many worked examples. It is by far the most useful economics book I have ever owned and I highly recommend that you buy a copy if you plan to continue your study of economics.

ECON 1110 TIMETABLE—Autumn 2015

(This schedule is subject to change as events warrant.)

1. Introduction and Macroeconomic Accounting **1, 3 Sept**

Required Readings:

Froyen, Chapters 1 and 2

2. Classical Macroeconomics (I): Equilibrium Output and Unemployment **8, 10 Sept**

Required Readings:

Froyen, Chapter 3

3. Classical Macroeconomics (II): Money, Prices, and Interest **15, 17 Sept**

Required Readings:

Froyen, Chapter 4

Additional Readings:

Handa, Chapters 2.1 and 2.2

Pigou, A.C. "The Value of Money". *Quarterly Journal of Economics*, 32, November 1917, pp. 38-65.

Further general information on the Classical paradigm can be found in books on the History of Economic Thought. The following text is recommended:

Spiegel, W. H. *The Growth of Economic Thought*. Duke University Press, 1991

4. Keynesian Macroeconomics (I): Aggregate Demand **22, 24 Sept**

Required Readings:

Froyen, Chapter 5 (8th Ed. Ch. 6)

Additional Readings:

Keynes, J.M. *The General Theory of Employment, Interest, and Money*, 1936.

5. Keynesian Macro (II): Money, Interest, and Income

**29 Sept
1, 6, 8 Oct**

Required Readings:

Froyen, Chapter 6 (8th Ed. Ch 7)

Froyen, Chapter 16 (8th Ed. Ch. 17)

Bain and Howells, *Monetary Economics*, Chapter 3

Additional Readings:

Handa, Chapter 13.1 – 13.6

Keynes, J.M. *General Theory*

Hicks, John R. "Mr Keynes and the Classics: A Suggested Interpretation".

Econometrica, 5, April 1937, pp. 147-59. (This is the article that created the IS-LM model)

6. Keynesian Macro (III): Policy Effects in the IS/LM Model

13, 15 Oct

Required Readings:

Froyen, Chapter 7 (8th Ed. Ch. 8)

NO LECTURE (AUTUMN BREAK)

20 Oct

MIDTERM EXAM: TOPICS 1 – 6

27 Oct

7. Exchange Rates and the Open Economy:

**22, 29 Oct
3 Nov**

Required Readings:

Froyen, Chapter 14 and Chapter 15 (8th Ed. Ch. 15 & 16)

Additional Readings:

Any text on International Finance will cover these issues in much greater detail. I suggest:

Pilbeam, Keith. *International Finance*, 3rd Ed. Chapters 1, 2, and 4 are relevant to the material covered in this topic.

The following two items are the original articles written by Mundell and Fleming:

Mundell, Robert. "Capital Mobility and Stabilization Policy Under Fixed and Flexible Exchange Rates," *Canadian Journal of Economics and Political Science*, 29 (November 1963), pp. 475-85.

Fleming, Marcus. "Domestic Financial Policies Under Fixed and Under Floating Exchange Rates," International Monetary Fund *Staff Papers*, 9 (November 1962), pp. 369-79.

8. Keynesian Macro (IV): Aggregate Supply and Demand **5, 10, 12 Nov**

Required Readings:

Froyen, Chapter 8 (8th Ed. Ch. 9)

9. Austrian Economic Theory **17, 19, 24 Nov**

Required Readings:

Rothbard, Murray. *America's Great Depression*, Chapters 1 – 3.

Available online at <http://mises.org/rothbard/agd.pdf>

Additional Readings:

The entire book above is highly recommended. The best source for additional Austrian literature is <http://mises.org>.

****ESSAY DUE AT THE BEGINNING OF LECTURE ON THE 17TH OF NOVEMBER****

NO LECTURE (THANKSGIVING) **26 Nov**

10. The Monetarist Counterrevolution **1, 3 Dec**

Required Readings:

Froyen, Chapter 9 (8th Ed. Ch. 10)

Additional Readings:

Friedman, Milton. *The Counter-revolution in Monetary Theory*. London: Institute of Economic Affairs, 1970.

Friedman, Milton. "The Quantity Theory of Money: A Restatement". In M. Friedman, ed., *Studies in the Quantity Theory of Money*. Chicago, 1956, pp. 3-21.

11. Output, Inflation, and Unemployment: Monetarist and Keynesian Views of the Short Run and Long Run **8 Dec**

Required Readings:

Froyen, Chapter 10 (8th Ed. Ch. 11)

Friedman, Milton. "The Role of Monetary Policy," *American Economic Review*, 58 (March 1968) (Available on JSTOR)

12. New Classical Economics **10 Dec**

Required Readings:

Froyen, Chapter 11 (8th Ed. Ch. 12)

Additional Readings:

- Lucas, Robert E. "Expectations and the Neutrality of Money". *Journal of Economic Theory*, 4, April 1972, pp. 103-24.
- Sargent, Thomas J., and Neil Wallace. "Rational Expectations, the Optimal Monetary Policy Instrument, and the Optimal Money Supply Rule". *Journal of Political Economy*, 83, April 1975, pp. 241-54.
- Sargent, Thomas J., and Neil Wallace. "Rational Expectations and the Theory of Economic Policy". *Journal of Monetary Economics*, 2, April 1976, pp. 169-83.

At this point you should read Froyen Chapter 13 (8th Ed. Ch. 14), which provides a brief summary of all models covered in this course.

FINAL EXAM: TOPICS 7 - 12

Wednesday 16th December, 10:00 AM -11:50 AM

Note that this is a common exam time for all sections of ECON 1110. You must attend the final exam at the assigned time. The final exam will place a heavier emphasis on the material from topics 7 – 12, but this course is cumulative in nature and final exam questions will therefore require a thorough understanding of topics 1 – 6.

ECON 1110: Intermediate Macro

Syllabus

Instructor

Doug Hanley (doughanley@pitt.edu)

Office hours: Tues 2:00-3:00, 4712 Posvar

Course Website

doughanley.com/intermediate_macro

Lectures

Section 1: MW 3:00-4:15, 106 Lawrence

Section 2: MW 4:30-5:45, 106 Lawrence

Undergraduate TAs

Natalie Patura (npj40@pitt.edu)

Office hours: Thurs 10:00-11:00, 4524 Posvar

Michael Kister (michael.kister@pitt.edu)

Office hours: Tues 3:00-4:00, 4514 Posvar

Graduate Graders

Section 1: Ian Morrall (irm13@pitt.edu)

Section 2: Hakki Lee (hal42@pitt.edu)

Office hours by appointment

Description

This course will provide the student with a thorough understanding of macroeconomic theory and ensure that they can utilize the methods of macroeconomic analysis. The course covers the development of modern macroeconomic theory, including both old and new variants of classical and Keynesian approaches. Key areas to be covered include theories of business cycles, employment, economic growth, and macroeconomic policy.

Considerable emphasis will be placed on investigating the quantitative implications of various models and assessing their successes and failures from an empirical perspective. Students are required to have completed both introductory microeconomics and macroeconomics before enrolling. Knowledge of elementary calculus is required.

Materials

There will be no official textbook for this course. The lectures and accompanying slides, in addition to some handouts and assignments, will represent the entirety of the course content. If you would like a supplemental source of intuition and context, you could consult *Macroeconomics* by Stephen Williamson, which takes a similar approach to my own. It covers many but not all of the fundamental concepts presented in the course, some in greater detail.

Assignments

There will be five problem sets in total. Accounting for exams, this works out to one homework approximately every two weeks. The grades of the top five homeworks will averaged to constitute 30% of your final grade. Each assignment will have a set due date and time, and late assignments will receive zero credit. There will also be an end-of-term

empirical project where I will ask you to collect some data of your choice and analyze it using the tools discussed in the course. This will be worth 10% of your grade.

Exams

There will be two midterms and a final exam. Each of these will account for 20% of your final grade. Each exam will be non-cumulative, meaning it will explicitly cover material only from the preceding third of the course, though understanding of the earlier thirds will naturally help. Make-up exams will be offered only under extreme circumstances. To secure a make-up exam, you must notify me before the regular exam and provide documentation, such as a note from a doctor.

The midterm exams will be held in class on Monday, February 8th and Monday, March 21st. The final exam will be held in the same classroom as the lecture is held in. For the exact time and date of any final exam, you can consult the registrar's website. For section 1 (which meets MW 3:00-4:15) the final will be on Saturday, April 30th at 4:00-5:50PM. For section 2 (which meets MW 4:30-5:45) the final will be on Tuesday, April 26th at 12:00-1:50PM.

Office Hours

See above for exact schedules. I will be holding weekly office hours. Feel free to come by and ask about anything. I can also schedule meetings by request. My undergraduate TAs will also be holding weekly office hours. Questions about grading should be directed to the graduate graders.

Course Schedule

Week	Dates	Topic
1	1/6 + 1/7	Introduction
2	1/11 + 1/13	Consumers + Producers
3	1/18 + 1/20	Equilibrium
4	1/25 + 1/27	Search + Unemployment
5	2/1 + 2/3	Malthus + Solow
6	2/8 + 2/10	Technological Change
7	2/15 + 2/17	Consumption + Savings
8	2/22 + 2/24	Financial Frictions
9	2/29 + 3/2	Savings + Investment
10	3/7 + 3/9	Spring Break
11	3/14 + 3/16	Money + Banking
12	3/21 + 3/23	Business Cycle Theory
13	3/28 + 3/30	Keynesian Theory
14	4/4 + 4/6	New-Keynesian Synthesis
15	4/11 + 4/13	Future of Growth
16	4/18 + 4/20	Review

Midterm dates in **red**.

**UNIVERSITY OF PITTSBURGH
SPRING 2016**

ECON 1110 – Intermediate Macroeconomics

TEACHER: Stanko Racic	OFFICE/PHONE: 2216 Sennott Sq / 412-383-7413
PLACE: G31 Benedum Hall	OFFICE HOURS: MW 8:30 – 9:30 AM, T 5:00 – 5:45 PM
TIME: T 6:00 – 8:25 PM	E-MAIL: stanko@katz.pitt.edu
	CLASS WEB SITE: http://www.pitt.edu/~stanko/intermed-macro

TA: Andrew Earle (aje35@pitt.edu) **OFFICE HOURS:** W 1:00 – 3:00 PM, 4514 Posvar

Text:

Dornbush, R., S. Fischer, R. Startz, Macroeconomics, 12th Ed., McGraw Hill, 2014.

Course Prerequisites:

ECON 0100 Introduction to Micro ECON 0110 Introduction to Macro
MATH 0120 or 0220 or (0125 and 0126) or 0230 or 0235

Course Objective

To provide students with an understanding of the magnitude and patterns of behavior or economic aggregates such as national income, the national unemployment rate, the rate of inflation and the rate of economic growth. We will use them to build and analyze a set of models that will help you to understand why and how behavior of these aggregates takes place.

Studying Strategies (<http://intelicus.com/10-effective-study-habits/>)

I would highly recommend you to work in study groups. Go through the readings before lecture. If lecture does not clear your questions from readings, ask me. Make the **help sheet** for the chapter before doing the homework. Update the **help sheet** if it is not sufficient to do the homework problems. Combine updated help sheets for different chapters into help sheet for the exam.

Students with Disability

If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both your instructor and Disability Resources and Services (DRS), 216 William Pitt Union, (412) 648-7890/(412) 383-7355 (TTY), as early as possible. DRS will verify your disability and determine reasonable accommodations for this course.

Grading

Homework: 13 assignments, due at the beginning of indicated class, worth 5%

Your effort, rather than whether the solution is correct, will be graded. Try to solve the problems, but do not spend too much time on them if you have difficulties. Solutions are on the class web site. If you cannot figure out how to do the problems please see me and I will help you with the problem.

Quizzes: 12 best of 13, 10 multiple choice questions before the break of indicated class, worth 20%

Exams: midterm worth 30% and cumulative final worth 45%

All exams will have multiple choice questions only covering conceptual and computational problems. You may bring one 8½x11 **help sheet** for each exam. You can put what ever you want on both pages of the help sheet. Makeup exams will be provided only due to an unforeseen event. I have to be informed no later than 24 hours after the exam. Documented confirmation will be required. No phones are allowed during any test.

No extra credit is available. Your cumulative percentages grade will be divided by the highest cumulative percentage grade in the class, and then translated into letter grades as follows:

100 -97 = A+	89.9-87 = B+	79.9-75 = C+	65.9-60 = D+	49.9-0 = F
96.9-93 = A	86.9-83 = B	74.9-70 = C	59.9-55 = D	
92.9-90 = A-	82.9-80 = B-	69.9-65 = C-	54.9-50 = D-	

Course Outline

Date	Topic	Homework/Quiz
Jan 12	Ch 1: Introduction	
Jan 19	Ch 2: National Income Accounting	Ch 1: C 1; T 1
Jan 26	Ch 5: Aggregate Supply and Demand	Ch 2: C 1-8; T 1-8
Feb 2	Ch 6: Aggregate Supply and Phillips Curve	Ch 5: C 1-5; T 1, 2
Feb 9	Ch 7: Unemployment Ch 8: Inflation	Ch 6: C 1-7; T 2-4
Feb 16	Ch 10: Income and Spending	Ch 7: C 1-5; T 1 Ch 8: C 1-4; T 1-3
Feb 23	Ch 11: Money, Interest and Income	Ch 10: C 1-5; T 1-5
Mar 1	Review for the Midterm Exam Midterm Exam (Chapters 1, 2, 5-8, 10, 11)	Ch 11: C 1-4; T 1-3, 5-7
<i>Mar 8</i>	<i>Spring Recess – No Class</i>	
Mar 15	Ch 12: Monetary and Fiscal Policy	
Mar 22	Ch 13: International Linkages	Ch 12: C 1-6; T 1-4
Mar 29	Ch 17: The Fed, Money and Credit	Ch 13: C 1, 3-10; T 1-5
Apr 5	Ch 3: Growth and Accumulation	Ch 17: C 1-7; T 1-3
Apr 12	Ch 4: Growth and Policy	Ch 3: C 2-6; T 1, 2, 4, 5, 7, 8, 10
Apr 19	Ch 20: The National Debt	Ch 4: C 1-3, 5-8; T 1, 2
Apr 26	Review for the Final Exam Final Exam (Cumulative)	Ch 20: C 1-4; T 1, 2