

**Intermediate Macroeconomics****Yamin S. Ahmad**

Office: 4402 Hyland Hall, Tel: x5576, Email: [ahmady@uww.edu](mailto:ahmady@uww.edu)

***Office Hours***

Walk in: TR 10:00am – 12:00pm; 2:30pm – 3:30pm; Email: TR 8pm – 9pm; and by appointment.

**Course Web Page:** <http://facstaff.uww.edu/ahmady/courses/econ302/>

This is the web page for the course. Here you can find the course schedule, lecture notes, problem sets and more.

**Prerequisites**

ECON 202 – Principles of Macroeconomics and

MATH 243 – Short Calculus for Business and Social Sciences    or

MATH 250 – Applied Calculus Survey for Business and the Social Sciences    or

MATH 253 – Calculus and Analytic Geometry

In this course, we will be using mathematics extensively. In particular, you should be able to algebraically manipulate equations, solve equations, and calculate slopes of functions. It is in this regard that those who have taken courses in calculus will find it beneficial to review concepts such as partial and total derivatives.

**Required Resources**

1. Aplia: Problem sets and exercises will be conducted using the web site <http://www.aplia.com>. Students are required to register there for this course and the cost is \$40.00. Students should use the following codes to register: **8PXU-WN8B-K3RC**. Instructions on registering are provided in greater detail, later in the syllabus.
2. Text: Blanchard, Olivier (2010), Macroeconomics, 5<sup>th</sup> edition, Pearson/Prentice Hall. ISBN: 0-13-215986-4.
3. The Course Homepage: <http://facstaff.uww.edu/ahmady/courses/econ302/>

Recommended:

Text: Mankiw, N. Gregory (2009), Macroeconomics, 7<sup>th</sup> edition, Worth. ISBN: 1-42-921887-8

**Course Description Objectives and Assessment**

This course is an intermediate level course in macroeconomic theory and in its application. We will examine the modern market economy with a view towards trying to understand fluctuations in national income, output, employment, prices and exchange rates and the implication of such changes for business decisions. We will examine the goods, financial, and labor markets, and the role of government and the Federal Reserve in maintaining a strong and vibrant economy. In doing so, we will analyze the effects of monetary policy, fiscal policies, and other macroeconomic events on

economic activity. We will also focus on the determinants of economic growth, namely, capital accumulation and technological progress. Performance on the course is measured and assessed through questions in exams.

### Course Requirements and Grading

The requirements for this course are five group problem sets (posted online), individual problem sets on Aplia, one midterm exam, and one final exam. Both the midterm and the final exam will be cumulative, so you can expect them to cover materials from the course up to the date of the exam.

The grading scheme is as follows:

Aplia Assignments	15%
Group Problem Sets:	$2\% \times 5 = 10\%$
Group Peer Evaluation	5%
Midterm Exam:	35%
<u>Final Exam:</u>	<u>35%</u>
	100%

**Each group problem set** provides you with an opportunity to earn 2 percent for a total of 10 percent (i.e.  $5 \times 2$  percent). I will divide students into group of approximately 3 students to work on the group problem sets. Please note that I would like to encourage students to work together on these problem sets since some of the concepts that will be presented in class are pretty challenging. Peer learning is an effective tool and having others to talk to will help facilitate learning these difficult concepts. I will provide more information on how to earn these group problem set points in class.

Individual problem sets will also be assigned and due every week, and these will be due on Aplia. Refer to the subsection “Aplia Assignments”, under *Instructions For Registering On The Aplia Website*, later in the syllabus.

**Warnings:** The midterm will be given in class. If you miss the midterm, for any reason, I will count the score on your final exam as 70 percent of your overall grade. There will be no make up midterms. Similarly, problem sets turned in late (i.e. after the due date) will not be accepted, or counted towards your overall course grade. This schedule is not flexible at all, so it is your responsibility to make sure that you can attend all exams and turn problem sets in on time.

### **A Note on Letter Grades:**

As a general guideline, grades will be assigned as follows:

A:	$\geq 86$	C+:	66-69
A-:	82-85	C:	62-65
B+:	78-81	C-:	56-61
B:	74-77	D:	50-55
B-:	70-73	F:	$< 50$

Note that the grade assignment above is only an approximation. I typically apply a “curve” to the scores at the end of the semester in order to account for things like the length and difficulty of exams etc.

## Attendance Policy

Enrollment in this course is taken as a commitment from you that you have made room in your life to fulfill the obligations of this course - coming to class, being there for exams when they are scheduled, etc. I will not record attendance, but you will find yourself at a significant disadvantage if you miss class. **It is the student's responsibility to obtain any materials or information missed due to absence.**

## Advice

The questions on the exams will require a thorough understanding of the material presented in the course. To that end, use the problem set questions and sample exams as tools to help you study and understand the material. To do well in the exams, you need to truly understand the concepts and ideas in class, and be able to apply them. Make sure you spend sufficient time trying to grasp the ideas and think about how they relate to the real world.

A more general piece of advice for economics courses: learning economics is a lot like learning math! If you want to do well in Econ, you need to practice, and be able to do three things (in combination):- (i) do math and be able to manipulate equations; (ii) understand graphs and be able to communicate that understanding; (iii) [the hardest of the three!] apply (and understand!) abstract logic! Spend a little time every day, practicing problems, and trying to understand the concepts presented in lectures. Use office hours! Come and see me if you have any questions whatsoever, be it about the material, or some concept you haven't fully grasped yet.

## Policy Statement

*The University of Wisconsin-Whitewater is dedicated to a safe, supportive and non-discriminatory learning environment. It is the responsibility of all undergraduate and graduate students to familiarize themselves with University policies regarding Special Accommodations, Misconduct, Religious Beliefs Accommodation, Discrimination and Absence for University Sponsored Events. (For details please refer to the Undergraduate and Graduate Timetables; the "Rights and Responsibilities" section of the Undergraduate Bulletin; the Academic Requirements and Policies and the Facilities and Services sections of the Graduate Bulletin; and the "Student Academic Disciplinary Procedures" [UWS Chapter 14]; and the "Student Nonacademic Disciplinary Procedures" [UWS Chapter 17].*

## UWW Student Honor Code

*As members of the University of Wisconsin – Whitewater College of Business & Economics community, we commit ourselves to act honestly, responsibly, and above all, with honor and integrity in all areas of campus life. We are accountable for all that we say and write. We are responsible for the academic integrity of our work. We pledge that we will not misrepresent our work nor give or receive unauthorized aid. We commit ourselves to behave in a manner that demonstrates concern for the personal dignity, rights and freedoms of all members of the community. We are respectful of college property and the property of others. We will not tolerate a lack of respect for these values.*

*This code originated at Wheaton College.*

## Course Outline

This course outline is tentative and I reserve the right to amend the schedule as I see fit. These changes will be announced in class and posted on the course webpage. We will cover as many topics as time permits, which in turn will depend on the pace of the class.

	Topics	Chapters in Blanchard	Chapters in Mankiw
1	Introduction: i. National Income and Product Accounts ii. Business Cycle Facts and Theories	1 - 2	1 - 2, 9.1-9.2
Part 1: The Core Topics:			
2	Introduction to AD-AS The Keynesian/Aggregate Expenditures Model	3,4.1-4.2, 5, 7.2	3.3-3.4, 9.3 – 10.1
3	The IS/LM Model	5, 7	10
4	Aggregate Demand	5, 7	11
5	Aggregate Supply and Short Run Equilibrium	7	13 (incl. Appx)
6	The Phillips Curve, Rational Expectations	8, 9	13.2
7	The Small Open Economy	18,19	5
8	The Mundell-Fleming Model	19,20	12
Part 2: More Advanced Topics (Time permitting)			
9	Consumption Theory	16-1	16
10	National Income in the Long Run and Economic Growth	10-13	3, 7, 8

## Instructions For Registering On The Aplia Website



Weekly homework assignments are found on the Aplia website. These assignments will collectively count for **15%** of your grade. The Aplia site requires a separate registration process. Here are the steps for registering:

## Registration

### If you have never used Aplia before...

1. Connect to <http://www.aplia.com>.
2. Click the **Create a New Account** link and choose **Student Account**. You will then enter your course key: **8PXU-WN8B-K3RC**. Continue following the instructions to complete your registration.

## If you have used Aplia before...

1. Connect to <http://www.aplia.com>.
2. Sign in with your usual e-mail address and password and enter your Course Key when prompted: **8PXU-WN8B-K3RC**. If you are not prompted for a new Course Key, click the Enter Course Key button to enroll in a new Aplia course. Enter your Course Key when you are prompted.

You will only need to register once. After the registration process is complete, you will not need to enter the course key again. For technical problems or problems signing in, please send Aplia an e-mail by clicking on the "Help" link in the upper-right corner of any page or by e-mailing [support@aplia.com](mailto:support@aplia.com).

Student benefits: By completing regular work in association with the lectures, you will better prepare yourself for the lectures and exams in the course. Cramming is not an effective method of learning. Think of the regular assignments on Aplia as a weekly Economics workout. Practicing and applying what you are learning from Aplia and lecture will better prepare you for class.

Aplia assignments: Many assignments come in pairs of practice and graded problem sets, and many of the graded problem sets have a "Grade it Now" feature. The practice sets give you immediate feedback about whether your answer is right or wrong and an explanation of the correct answer. They are not counted as part of your homework grade. Use them to check your understanding of the material. If you are confident, you can go directly to the graded problem set, and refer back to the practice set only if you want some additional help.

The graded problem sets have a firm due date. If the question is not a "Grade it Now" type question, i.e. a "Grade at Deadline" type question, you can change your answers as many times as you like before the due date has passed. If the question is a "Grade it Now" type question, it will grade it for you then. You then have the choice to attempt the problem again (up to a total of 3 times) if you did not get the maximum number of points. However, your average score, based on the number of attempts you make, will be reported at the time of the deadline. Once the due date has passed, the grade will be recorded and it will not be possible to change your answers or complete the assignment at this point. In other words, Aplia assignments must be completed by the due date. The software does not care whether you have an excuse or not. **Do them early to avoid any emergencies preventing your completion before the due date.** After the due date, you will be able to see the correct answers and the explanations for graded problems.

The cost of Aplia is **\$40** per student for this class for the semester. You may register and use the website until **02/07/2010** without paying the fee. If you are considering dropping this course during the drop/add period, do not make a payment until you are sure. You will need to pay the full amount before the end of the grace period to continue using the site. You may pay online with a credit card or personal check, or you can mail a check or money order to the address provided on the Aplia site.

If you have questions about registering or using the Aplia website, please contact Aplia by clicking the Aplia Support link at the bottom of any Aplia page or by e-mailing [support@aplia.com](mailto:support@aplia.com). You will receive a response in one business day.

Disclaimer: *I am not financially affiliated with Aplia and receive no monetary benefit from requiring this material.*