Course Description and Objective

The course will cover macroeconomic theories essential for understanding the behavior of the economy in the long run and the short run. The objectives of the course are basically (i) to familiarize students with the method of macroeconomic analysis and some of its specific tools; (ii) to analyze important issues in macroeconomics, such as unemployment, inflation, and growth; (iii) to understand how policy intervention can influence short-run macroeconomic conditions; and last but not least (iv) to study media coverage of macroeconomic events.

Course Materials

- Recommended Textbook:
  

- Course Handouts:
  Complementary material including slides to be used in class will be downloaded from the course website. As class develops, other references will be assigned for further advanced background readings.

Prerequisites

Prior exposure to undergraduate Microeconomics will be useful. You should also feel comfortable with constrained maximization procedures, both static and dynamics.

Class Participation

The class participation grade is based on the student’s ability to initiate and participate in discussions for all materials covered during class over the semester. You must attend class regularly and make a positive contribution to class discussion to receive credit for class participation. Do not assume the class participation grade is a given.
Homework Assignment

Students are strongly encouraged to stay informed on current macroeconomic issues through reading periodicals with frequent coverage of economic news. Articles from publications like The Economist, The New York Times or The Wall Street Journal will be assigned as homework assignments and will be discussed in class. The course will become more interesting if you read articles in the press and try to apply what you have learned to real-world events.

Paper Presentation

The paper presentation is a group project. You can work in groups in 3-5 students. Each group will choose one article from either the “popular” economic press like The Economist, Financial Times, The Wall Street Journal, etc. or some academic journals along the lines of the many that will be discussed during the course. Each group will then present the chosen article in class, integrating a competent use of the formal tools with the economic analysis of important questions. One of our stated goals is to be able to navigate comfortably through media accounts of macroeconomic events. After all, if it cannot be applied, who cares?

Exam

You will take one final exam during the final exam period, on a date and time assigned by the registrar later in the semester. No make-up exams will be given.

Evaluation

The course grade will be based on your performance in class participation (10%), homework assignment (30%), paper presentation (25%), and a final-term examination (35%).

Course Outline

  - Lecture 1: The Questions to be Studies of Macroeconomics.
  - Lecture 2: Measurement of Key Macroeconomic Variables.
• Part II: The Macroeconomy in the Long Run: Production, Employment and Growth.
  – Lecture 4: A Closed-Economy One-Period Macroeconomic Model.
  – Lecture 5: A Closed-Economy Two-Period Macroeconomic Model.
  – Lecture 7: Economic Growth and Convergence Across Countries.

• Part III: The Macroeconomy in the Short Run: Booms, Recessions, and Policy.
  – Lecture 8: Introduction to Short Run Economic Fluctuations.

• Part IV: The Open Economy.

• Part V: Topics in Macroeconomics.
  – Lecture 11: Inflation.
  – Lecture 12: Unemployment.