

Economics 270, Intermediate Macroeconomics

Fall 2016

Bates College

Paul Shea

Class Times: Throughout the semester, we will meet 24 times from 2:40-4:00 PM on Monday, Wednesdays, and Fridays. Usually, we will meet twice a week. Each week's schedule will be posted on the class website.

E-mail: pshea@bates.edu

Office Hours: MW, 12-1, and by appointment.

Office: 270 Pettingill.

Course Website: www.paulshea.com. This site includes lecture notes, class announcements, readings, and assignments. Note that the class website is unrelated to Lyceum.

Course Description: This course has several objectives: 1. To refine student's understanding of general macroeconomic concepts, 2. To develop an understanding of the determinates of long-run macroeconomic performance based on both theory and empirical evidence, 3. To do the same for short-run macroeconomic performance, and 4. To apply these tools to contemporary issues related to macroeconomics.

Prerequisites: Econ 101 and 103, and Math 105.

Textbook: *Macroeconomics*, by Charles Jones. W.W. Norton & Company. The official text is the 3rd edition. Students using an older (and cheaper) version are likely to be at only a slight disadvantage.

Supplemental Materials: I will post my lecture notes on the class website. In addition, I will post practice problems and answer keys for each topic that we cover in class. Historically, there is a strong positive correlation between doing these problems and class performance.

Assignments: Your grade consists of the following:

i) Two midterms. These are scheduled for Wednesday, 10/5, and Wednesday 11/9. **25% of final grade each**

ii) A final exam at 1:15 PM, Tuesday, 12/13/16. It is not possible for you to take the final at any other time, unless you are excused for a college approved reason. If the final exam time presents a conflict, then do not take this course. **30% of final grade**

iii) Periodic homework assignments. I generally do not assign homework that simply reviews class material. The optional practice problems instead serve that purpose. Required homework assignments typically cover new material which, due to time limitations, I am unable to cover in class. **20% of final grade**

The following process will determine each student's final grade:

1. Any letter grades will be converted into numerical scores.
2. Numerical scores will be multiplied by the weights for each assignment and summed to obtain a raw score.
3. Course grades will then be given based on the ordering of raw scores. The distribution of grades will be largely based on my subjective impression of the class' performance.
4. No student shall receive a higher final grade than another student with a higher raw score. Likewise, no student shall receive a lower final grade than another student with a lower raw score.
5. All students shall have the same opportunity to succeed in this course. There is no extra credit. Please do not ask.

Contesting of Grades: Every effort is made to ensure that grades are accurate and consistent. I do not want to give any student an erroneous grade. If you believe that a grading error has been made, please bring it to my attention promptly after the assignment has been handed back. I will

only consider possible grading errors for one week after an examination has been passed back. All grade appeals must be submitted in writing.

All exams and homework assignments will be counted immediately after they are handed in to ensure that the number received equals the number graded. Save all of your graded work. If I have no record of a completed assignment, and if you cannot present your graded assignment, then you will receive no credit for the assignment in question.

Inability to Complete Course Requirements: If you know that you cannot attend an exam or complete an assignment due to a non-college excused commitment, do not take this class. If an unanticipated commitment arises that prevents you from satisfying any of the course requirements, you must have your conflict verified by the Dean of Student's office. Be aware that this office will require documentation of all illnesses and deaths in the family. I will not personally judge the validity of students' conflicts. I reserve the right to either offer a makeup or roll the weight of the missed exam into the other graded elements of the course.

Academic Dishonesty: I will pursue any instances of academic dishonesty. Historically, I have been very aggressive in investigating and sanctioning cheating. The College has adopted the following language on academic dishonesty. I support this policy and re-print it here:¹

Academic integrity is fundamental to learning, scholarship, and indeed all dimensions of academic life. At its simplest, this means that the work you submit must be your own unless collaboration is specifically allowed, that you use only those resources allowed; that you express yourself in your own words unless you are quoting, and that you properly acknowledge and cite the ideas, information, and other work that you used or that contributed to your understanding.

Your academic work is governed by The Bates College Statement on Academic Integrity, found here at:

¹Auer, Matthew R. "Tips for incorporating academic integrity info into your syllabi." E-mail to Bates Faculty. 6 Aug. 2014.

<http://www.bates.edu/entering/policy/judicial-affairs/code-of-student-conduct/academic-misconduct/>,

and by any additional standards I set in this syllabus or in individual assignments. The Statement on Academic Integrity provides a fuller discussion of academic integrity and definitions of plagiarism, misuse of sources, and cheating. You are responsible for reading the Statement carefully and abiding by its terms.

Violations of academic integrity are serious and can result in severe consequences at both the course and college levels. Depending on the circumstances of the violation, I will assign a failing grade for the assignment and/or the course, require work to be redone, and/or impose other consequences; in addition, I will refer the matter to the Dean of Students for possible institutional action. Procedures for suspected violations are explained here:

<http://www.bates.edu/entering/policy/judicial-affairs/>.

If you have any questions or concerns about what is expected or permissible in this course or about academic integrity in general, please contact me.

If you are unsure about issues of academic integrity, just ask.

Students with Disabilities: If you have a documented disability and need an accommodation, please make arrangements with me during the first week of the term. Please request that the Dean of Student's office send me a letter verifying your disability.

Please note that I am not qualified to diagnose a disability or approve an accommodation. You must therefore always go through the Dean of Student's Office. It is your obligation to have a disability diagnosed in a timely manner. You are unlikely to receive any substantial accommodation if you wait until right before an exam to notify me.

A Very General Outline, Subject to Change:

1. Preliminaries

- a. A Few General Economic Concepts
 - b. Tools: Designing and Evaluating a Theoretical Model
 - c. Tools: A Very Brief Overview of Empirical Analysis
2. Economic Growth
- a. The Empirical Evidence
 - b. The Solow Growth Model
 - c. The Endogenous Growth Model
3. Business Cycles
- a. The Real Business Cycle Model
 - b. The New Keynesian Model
 - c. The Empirical Evidence for Monetary and Fiscal Policies
4. Extensions
- a. Macroeconomics and Financial Markets
 - b. Some International Macroeconomics (time permitting)

Current Events (mixed in along the way)

- a. Budget Deficits
- b. Social Security and Medicare
- c. Review and 4 Key Questions

The current economic downturn will not be treated as a special topic but will be discussed during the term when appropriate. Be aware that this class is much more general than just the last 10 years in macroeconomics. Students seeking a more detailed treatment of recent events are encouraged to take Econ 313: The Great Recession.