

Econ 4020/Summer 2017
Intermediate Macroeconomics
M-F 10:15-12:15
221 Correll Hall

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Office Hours: By appointment

Course Objective

This course develops the tools of modern macroeconomic theory and explains the determination of aggregate output, employment, prices, and economic growth, both in the long run as well as in the short run. We will focus on the framing, conduct and effect of government policies (both fiscal and monetary) on the key variables in an economy and consequently on the evolution of business cycles. The purpose of this course is to develop a macroeconomic framework for explaining the current state of the US and the world economy and for analyzing recent economic policy issues.

Course Materials

Textbook: Garin, J., and Lester, R., and Sims, E., *Intermediate Macroeconomics* (1st Edition). http://juliogarin.com/files/textbook/GLS_Intermediate_Macro.pdf

Grades, Assignments, and Exams

Grades: Your final grade in this course will be determined by your performance in the homework assignments (carrying a weight of 25 %), **one** mid-term exams (with weight of 25 %), and a final exam (with a weight of 50 %).

Homework Assignments: Homework assignments will be due approximately bi-weekly. Assignments are due at the due date, and the due date only. **Late homeworks will NOT be accepted under any circumstances.**

Note: All homework assignments, solutions, and announcements will be made in class.

Remember that the homework assignments carry a weight of 25 %, so if you work sincerely on them, you will be able to secure that part of your grade. Also, the homework assignments would be a good indicator of what you may expect in the mid-term and final exams.

Exams: There will be **one** mid-term exams and a final exam. The exams will be a mixture of analytical question and numerical problems.

Assignment 1: due Wednesday, June 14th, at the beginning of class

- GLS – Ch1 Exercise 5 a) - e)
- GLS – Ch4 Exercise 2 a) - b)
- GLS – Ch5 Exercise 4
- GLS – Ch6 Exercise 3
- GLS – Ch7 Exercise 2
- GLS – Ch8 Exercise 2
- GLS – Ch11 Exercise 1

Assignment 2: Wednesday, June 28th, at the beginning of class

- GLS – Ch13 Exercise 2
- GLS – Ch15 Exercise 3
- GLS – Ch16 Exercise 6
- GLS – Ch21 Exercise 2
- GLS – Ch23 Exercise 5

Mid-term Exam: Friday, June 16th, 10:15-12:15

Final Exam: Friday, June 30th, 10:15-12:15

Note: Make-up exams will **NOT** be given under any circumstances. So please plan ahead and mark your calendars for those days and times. Please do not schedule appointments with your doctor or dentist on those days.

Honor Code: The Honor is taken very seriously. Cheating will not be accepted. As a University of Georgia student, you have accepted to abide by the University's academic honesty code, "A Culture of Honesty", and the Student Honor Code. All academic work must meet the standard described in "A Culture of Honesty" found at www.uga.edu/honesty. Lack of knowledge of this policy is not a reasonable excuse for a violation. Questions related to course assignments and the academic honesty policy should be directed to the instructor.

Attendance and Classroom Preparation

Attendance is not required for this course. While attendance will not count towards your final grade in the course, attendance has been shown to be positively correlated with your grade. If you do not show up to class, do not expect that all your questions can be answered the day before an exam at office hours.

Devote as much time and effort as necessary to master the material covered in this course. Like many other skills, economics is best learned by doing. Thus, the more problems you work, and the more you participate in class, the better your understanding of the material.

Course Outline

Introduction

- Syllabus
- Macroeconomic Data
- Brief History of Macroeconomic Thought

Growth Theory:

- Facts about Long Run Growth
- Solow Model
- Augmented Solow Model
- Cross-Country Income Differences
- Endogenous Growth

The Microeconomic of Macroeconomics

- Dynamic Consumption-Savings Model in an Endowment Economy
- Household and Firm Decision
- Money

The Neoclassical Model

- Household, Firm and Government Behavior
- Shocks to the Economy
- Taking the Model to the Data

The New-Keynesian Model

- Demand and Supply Side
- Shocks to the Economy
- Taking the Model to the Data

Special Topics

- TBA