

Economics 381-1

Intermediate Macroeconomics

Fall 2004

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Office Hours: 1:30-3:00, Tuesday and Thursday; or by appointment. A simple e-mail or phone call in the morning would suffice for making an appointment later that day.

Remember, I'm here to help you.

Webpage: See Blackboard from your Y Account.

Teaching Assistant: Scott Goates

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TA Office Hours: ?? all in 111 FOB

Course Syllabus

Required Texts:

- *Macroeconomics*, 2nd edition, by Stephen D. Williamson, Addison Wesley, 2005.
- *Wall Street Journal*. Subscribe at <http://subscribe.wsj.com/semester>. Subscribing here will give you a hardcopy subscription and access to the electronic version of the WSJ.

1 Course Objective and Structure

One of the most heated debates among economists is how to model the long-term trend and short-term cyclical behavior of a country's level of output. Currently there is much debate within the macro literature as to which school of thought is correct. This has created confusion and fueled contention in the field of macroeconomics. It is the purpose of this class to introduce the student to the different macro schools of thoughts. In particular, the student will learn about the classical, neoclassical, new-Keynesian, and real business cycle models of macroeconomic business cycles behavior; how each model differs from one another, and what are the model's policy recommendations. To highlight each schools point of view each macroeconomic model will be derived from a microeconomic, general equilibrium model, with only the underlying assumptions differing between each macro model. This approach will enable the student to more clearly distinguish how each school of thought differs from the others, know the different effects a proposed policy will have under different macro paradigms, and be able to determine which model he/she agrees with most.

1.1 Examinations

To determine how well a student's understanding of macroeconomics is developing three mid-term examinations and a comprehensive final exam will be given. Each of these exams will contain multiple choice, essay and mathematical problems that will be designed to test both a student's understanding of the concepts presented in the text and the ability to apply this understanding to

Grade	Percentage
A	95-100%
A-	90-94%
B+	87-89%
B	84-86%
B-	80-83%
C+	75-79%
C	70-74%
C-	65-69%
D+	60-64%
D	55-59%
D-	50-54%
F	0-49%

Table 1: Grading Table

real world economic situation. The three mid-terms will each be worth 100 points and the final exam 200 points.

I will not give any preferential treatment to a student desiring to take an exam early or later because of extenuating circumstances. Since all but the final exam are given in the Testing Center and can be taken during a three day period, I fully expect that you can resolve any conflicts you might have with a mid-term exam date.

1.2 Homework

Every two weeks a problem set will be due with the aggregate score counting for one-sixth (100 points) of your course grade. Each problem set will be posted to the *Course Document* section of Blackboard and your answers must be turned in on its due date. Failure to do so will result in no credit. In past semesters, students have coerced the teaching assistant into accepting late homework. This is unacceptable. It is costly to the teaching assistant to have to go back and regrade past assignments, so please do not ask. If one does ask 5 points will be taken away from your exam score.

1.3 Grading

The numbers found in Table 1 will be used to determine your course grade at the end of the semester. The breakdown will also be useful to you in calculating your letter grade on a particular exam.

1.4 Academic Honesty

Examinations and quizzes are expected to reflect your own work and are to be done without giving or receiving outside aid or notes of any kind. Written reports of any violations of the above will be given to the Chairman of the Department of Economics and to the Honor Code Office in strict accordance with University Policy. I strongly suggest that students work together in small groups when doing the problem sets, but do be concerned about free-riding, because for those who do it will be evident in your exam performance.

1.5 Disabilities

If the Service for Student with Disabilities Office (378-2767) has certified that you are subject to a disability which requires that adjustments or special arrangements be made to access the lectures and/or to obtain a fair test of your performance in this class, you must inform me of the nature of your disability and the required adjustments as soon as possible.

1.6 Sexual Harassment

BYU's policy against sexual harassment extends not only to employees of the university but to students as well. As a student if you encounter unlawful sexual harassment or gender based discrimination, please inform me or contact the Equal Employment Office at 378-5895.

2 Study Guide

Class Session	Topic	Book Material
8/31 & 9/3	Syllabus Course Objectives	Chapter 1
9/7 & 9/9	Circular Flow Diagram	Chapter 2
9/14 & 9/16	Output and Inflation Measures	Chapter 3
9/21 & 9/23	Empirical Facts of the Business Cycle	
9/23-9/25	*First Exam*	
9/28 & 9/30	Labor Demand	Chapter 4
10/5 & 10/7	Labor Supply	Chapter 4
10/12 & 10/14	Intertemporal Decisions	Chapter 8
10/19 & 10/21	Intertemporal Decisions	Chapter 8
10/21-10/23	*Second Exam*	
10/26 & 10/28	Real Intertemporal Model w/ Investment	Chapter 9
11/2 & 11/4	Real Intertemporal Model w/ Investment	Chapter 9
11/9 & 11/11	Monetary Intertemporal Model: Money Neutrality	Chapter 10
11/16 & 11/18	Monetary Intertemporal Model: Money Neutrality	Chapter 10
11/18-11/20	*Third Exam*	
11/23	No Class (Friday Instruction)	
11/25	No Class (Thanksgiving Holiday)	
11/30 & 12/2	Real Business Cycle Theory	Chapter 11
12/7 & 12/9	Sticky Wage Model	Chapter 12
12/17 @ 11:00am-2:00pm	*Final Exam*	