**ECN 101 - Intermediate Macroeconomics**

**Department of Economics - University of California, Davis**

**Summer Session 2 2013**

**Course Description:**

Covers major theoretical issues arising in the study of GDP, employment, price level, and interest rates. This course also examines the role of monetary and fiscal policy in economic stabilization. The aim of this class is to give you the necessary tools to critically read and discuss current macroeconomic events as well as to analyze and understand standard macroeconomic data. The textbook is self-contained, however lecture attendance is highly recommended.

Prerequisites: course 1A, 1B, Mathematics 16A-16B or 21A-21B, with grade of C- or better in each.

**Course Information:**

LECTURE TIME: Monday, Tuesday, and Wednesday: 12:10pm – 1:50pm.

CLASSROOM: Olson 106.

DISCUSSION SECTIONS: Thursdays 12:10pm -1:50pm & 2:10pm – 3:50pm, HART 1128

Website: Smartsite

**Instructor Information:**

Ariel Weinberger

[aweinberger@ucdavis.edu](mailto:aweinberger@ucdavis.edu)

OFFICE HOURS: Tuesday and Wednesday 11am – 12pm.

OFFICE: SSH 143

**TA Information:**

Luca Macedoni

[lmacedoni@ucdavis.edu](mailto:lmacedoni@ucdavis.edu)

OFFICE HOURS: Wednesday and Thursday 10am -11am.

OFFICE: SSH 132

**Textbook Information:**

Olivier Blanchard and David Johnson, *Macroeconomics*, 6th Edition, 2012.

Past editions, especially a recent 5th edition, should be mostly fine for this course. However many problem set questions will be taken from the textbook and so you will have to be careful about the numbering changes across editions. Also, there will be one chapter (Chapter 9 about the recent Financial Crisis) that is new and only available in the newest edition. If you use older editions, you will not have this chapter in your book.

**Course Website:**

Announcements, lecture notes (not necessarily complete), problem sets, solutions, and other information will be posted at Smartsite. Although I intend to send out reminders when new materials are posted on Smartsite, it is your responsibility to check the website regularly for updates.

**Grading:**

There will be one midterm, a final, and **5 problem sets** due on Mondays of each week except the first week. Problem sets will be graded mostly on effort/completion, although we will check some problems to establish incentive and variation. Each homework will be graded on a scale of 1 to 5, with 5=excellent, 4=very good, 3=good, 2=fair, 1=poor. You should submit the homework either into TA’s mailbox by 12:00 pm or to me before (or right after) the lecture on the due date. No late submission will be accepted and will result in a zero on the assignment. You must turn in YOUR OWN work for homework assignments although you are encouraged to work together. Make sure to *acknowledge* the contribution of others by putting their names on the front page of your assignment. For example, you can write: “I worked with John Keynes”. Problem sets will be graded by the TA, so most questions should be directed to Luca.

The format of exams will be pretty standard, some multiple-choice questions and mostly short answer questions. Please **bring a scantron** to both exams. The midterm and final will be on the following dates:

* **Midterm: Wednesday August 21st**
* **Final: Wednesday September 11th**

I will give some leeway in how your total score is calculated by allowing the midterm and final weights to vary by your performance. Overall grades will be calculated in 2 ways, with the maximum raw score chosen:

1. 15% problem sets, 30% midterm, 55% final.
2. 15% problem sets, 40% midterm, 45% final.

*Makeup exams will NOT be given. If you have a reasonable excuse for missing the midterm with proof (e.g. a signed doctor’s note) then your final exam will receive an 85% weight.*

**Re-grading:** You can talk to the TA about simple mistakes such as points being added up incorrectly. If you want us to re-read your exam to re-grade a particular answer, you must turn in your exam to the Instructor within a week of the distribution of the exams, with a written note explaining specifically where the exam deserves more points. The Instructor keeps the right to re-grade the whole exam.

**Overall Grades:** Per Economic department policy, this class will be graded on a “curve” that takes into consideration the whole class distribution. The policy is that the average score will receive a 2.4 GPA (C+/B-).

**Class Schedule (preliminary):**

**Week 1:** Monday Aug 5th: Introduction

Tuesday Aug 6th: Macroeconomic Data (Ch 2)

Wednesday Aug 7th: Long Run Model: The facts of growth (Ch 10)

**Week 2:** Monday Aug 12th: Solow Model I (Ch 11)

Tuesday Aug 13th: Solow Model II (Ch 12)

Wednesday Aug 14th: Solow Model Again / Short Run Model: The Goods Market (Ch 3)

**Week 3:** Monday Aug 19th: Short Run Model: The Goods Market (Ch 3)

Tuesday Aug 20th: The Financial Market (Ch 4) / Combining the Goods and Financial Market: *IS/LM* (Ch 5)

Wednesday Aug 21st: Midterm

**Week 4:** Monday Aug 26th: Combining the Goods and Financial Market: *IS/LM* (Ch 5)

Tuesday Aug 27th: Medium Run Model: The Labor Market (Ch 6)

Wednesday Aug 28th: Putting all Markets Together: The *AD/AS* Model (Ch 7)

**Week 5:** Monday Sep 2nd: Labor Day

Tuesday Sep 3rd: More *AD/AS* Model (Ch 7)

Wednesday Sep 4th: The Natural Rate of Unemployment , Phillips Curve and Inflation (Ch 8)

**Week 6:**  Monday Sep 9th: The Crisis (Ch 9)

Tuesday Sep 10th: Extensions + Some review

Wednesday Sep 11th: Final Exam