

M. Odekon

Office: Filene 108

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Office Hours: M 1:00-2:00pm Th 10:30am-Noon

Or by appointment

Spring '13

Ec 235

Macroeconomic Theory

This course provides a thorough understanding of the theoretical foundations of macroeconomic activity. Long-term economic growth, labor market and wage equilibrium, determination of equilibrium income and interest rate, and public policy are among topics discussed.

Specific objectives of the course are to:

- Introduce and examine key models and concepts in macroeconomics;
- Engage in in-class problem-solving activities and discussions;
- Serve as a basis for further study in economics.

Textbook (in the bookstore):

R. Dornbusch, et al. 2011 (eleventh edition). **Macroeconomics**. McGraw Hill.

Course Requirements:

Test I	Febr. 20th	20 percent
Test II	Apr. 3rd	25 percent
Three quizzes	(2/13, 3/27, and 4/24)	5 percent each
Assignment	(due date: 4/17)	20 percent
Final	(tba)	20 percent

PLEASE NOTE:

Attendance is mandatory. Each absence is a deduction of ONE POINT FROM THE FINAL COURSE GRADE. There are no make-ups.

NO LAPTOPS ARE ALLOWED IN CLASS WITHOUT MEDICAL DOCUMENTATION.

Assignment: US Macroeconomic performance and changes in the composition of output: 1980-present.

You are expected to write a maximum of 10-page (double-spaced) paper critically discussing the overall macroeconomic performance of the US economy by analyzing

- a- post-1980 business cycles and
- b- changes in aggregate expenditures in the economy.

Preliminary data sources:

http://www.nber.org/cycles/general_statement.html

http://www.bea.gov/iTable/index_nipa.cfm

http://www.whitehouse.gov/sites/default/files/microsites/ERP_2012_Complete.pdf

Course Outline:

- Introduction and the US Economy
Chapter 1, Section 1
- National Income Accounting
Chapter 1, Section 2
- Growth Theory
Chapters 3 and 4
- Supply and Demand
Chapters 5-7
- IS and LM Model
Chapters 9 and 10
- Macroeconomic Policy
Chapters 8 and 11, 16-17
- Open Economy
Chapters 12 and 20
- Behavioral Foundations
Chapters 13-15

Readings (due date):

<http://www.epi.org/files/2012/ib339-us-poverty-higher-safety-net-weaker.pdf> (2/15)

<http://www.cepr.net/documents/publications/structural-unemployment-2012-10.pdf> (3/18)

<http://www.imf.org/external/pubs/ft/scr/2012/cr12213.pdf> (4/19)