Macroeconomics is the study of aggregate economic variables (output, prices, unemployment, and investment) and their interactions. In this class, we will focus on two key topics: (i) explaining business cycles in the short and medium run, and (ii) the sources of economic growth over longer periods of time. Over the course of the semester, we will develop a general theoretical framework based on a synthesis of both classical and Keynesian economics. In the process, we will evaluate recent domestic and international economic events.

**Prerequisites**

Economics 110 and Economics 300. This class requires familiarity with basic microeconomic concepts such as utility and profit maximization. We will also regularly use algebra and calculus.

**Course Materials**


Moodle: I will post additional readings and other course materials (problems sets, practice exams, etc.) on our Moodle course site during the semester.

In addition to completing the readings for the class, I also require you to follow current macroeconomic events. Good sources of macroeconomic news are The Economist, Wall Street Journal, Financial Times, or the business section of the New York Times (or a newspaper of similar standing). This is a good way to experience macroeconomics ‘in action’ and to apply the concepts you learn in class to the real world. You can find links to current subscription offers on the Moodle course site.

**Course Requirements**

There will be two in-class non-comprehensive midterms and a comprehensive final exam, plus regular problem sets. The weights of the different elements for the final course grade are:

- Problem sets (10%): There will be six problem sets over the semester. Each of them will be assigned one week before the due date. Problem sets are due in class. If you cannot
make it to class, you need to contact me and leave your problem set before class in my mailbox (or the alcove) in the Economics department. Late problem sets will not be accepted, and no extensions will be granted. You are encouraged to work together on the problem sets. However, I require an individual write-up by each student.

- Midterm 1 (25%): tentatively scheduled for Thursday, February 19.
- Midterm 2 (25%): tentatively scheduled for Tuesday, April 7.
- Final exam (35%): Tuesday, May 12, 2-4pm.
- Class participation (5%): I highly value class participation and encourage you to raise questions and to comment on level, pace and the content of the course during the semester. In addition, I will frequently open up topics for discussion. General guidelines for your class participation grade: frequent absences (or tardiness): C, demonstration of good understanding of material through occasional participation in class discussion: B, frequent participation in class discussion and raising insightful questions: A.

Class Organization

You are responsible for completing all assigned readings before coming to class. In the lectures, we will frequently extend the material beyond what you find in the textbook. Prior familiarity with the assigned readings is therefore essential to follow the presented material.

In order to not divert my or the attention of your classmates, the use of computers, cell phones and other electronic devices is not permitted during class time.

Wesleyan University is committed to ensuring that all qualified students with disabilities are afforded an equal opportunity to participate in and benefit from its programs and services. To receive accommodations, a student must have a documented disability as defined by Section 504 of the Rehabilitation Act of 1973 and the ADA Amendments Act of 2008, and provide documentation of the disability. Since accommodations may require early planning and generally are not provided retroactively, please contact Disability Resources as soon as possible. If you believe that you need accommodations for a disability, please contact Dean Patey in Disability Resources, located in North College, Room 021, or call 860-685-5581 for an appointment to discuss your needs and the process for requesting accommodations. For more information, see also: http://www.wesleyan.edu/studentaffairs/disabilities/studentguide.html

Grading and Exams

Midterm exams will not be given at any other times during the term. In case you miss a midterm exam due to illness or another serious emergency, the weight for your final exam will be increased accordingly. If you are not able to make it to an exam due to a serious reason, you have to contact me on the same day and explain what happened. In any case you will have to show proper valid documentation as soon as possible after the missed exam, such as a doctor’s note.
In case you believe a grading mistake has been made on a problem set or exam, you may submit a written request for a re-grade within one week after the exam was returned.

**Honor Code**

I expect you to adhere to the Wesleyan University Honor Code (http://www.wesleyan.edu/studentaffairs/honorboard/honorcode.html). All submitted work, whether it is an exam or problem set, must be your own. Although I encourage you to work together on problem sets, I require an individual write-up by each student and I will not tolerate if you copy others’ work. Any academic dishonesty will be reported to the Vice President for Student Affairs and the Student Honor Board.

**Tentative Course Schedule***

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<thead>
<tr>
<th>Class</th>
<th>Date</th>
<th>Chapter</th>
<th>Topic</th>
<th>Notes</th>
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<td>I. Introduction</td>
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<td>II. The Short Run</td>
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*check regularly for an updated version on Moodle
Additional Readings (all available on Moodle): * indicates required reading

I. Introduction

Chapter 2:

http://www.economist.com/node/21599744

http://nyti.ms/1uEdjFP

http://wapo.st/1rzZtFm


II. The Short Run

Chapter 3:


Chapter 4:

http://www.economist.com/node/21602271/

Chapter 5:

http://nyti.ms/1hsfnXH

III. The Medium Run

Chapter 6:

http://www.bls.gov/cps/
Chapter 7:

http://www.economist.com/node/21569155


Chapter 8:


Chapter 9:

http://www.economist.com/node/21589509

http://online.wsj.com/articles/john-h-cochrane-a-few-things-the-fed-has-done-right-1408662715

IV. The Open Economy

Chapter 18:

http://nyti.ms/1vVMMkt

Chapter 19:

http://online.wsj.com/news/articles/SB10001424052702303795904579432211509239216

Chapter 20:


www.economist.com/node/21606322/
V. The Long Run

Chapters 10-12:

