

ECN 313: Intermediate Macroeconomic Theory

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Office Hours: M-F: 10AM-11AM

or by appointment

Office: 425E CPCOM

Class Hours: M-F: 8:35AM-9:55AM

Class Room: BAC 209

Course Description

Macroeconomics studies the behavior of large groups of economic agents. In this course, we will develop simple macroeconomic models in order

- to understand the behavior of aggregate economic variables, such as output, consumption, employment and investment, and
- to learn how macroeconomic policies can be designed.

W.P. Carey Learning Objectives

The Undergraduate Program of the W.P. Carey School of Business has established the following learning goals for its graduates:

1. **Critical Thinking**
2. **Communication**
3. **Discipline Specific Knowledge**
4. Ethical Awareness and Reasoning
5. Global Awareness

Items in bold have significant coverage in this course, though it should be noted that your instructor does not believe this course can be so conveniently mapped to a checklist of ambiguous terms, but is required to present this information in the syllabus.

Detailed Criteria for Learning Goals The economics department has established the following criteria for the first three undergraduate learning goals:

- Discipline Specific Knowledge
 - **Demonstrates knowledge of resource allocation mechanisms and their implications for efficiency, distribution, employment, and growth.**
 - Demonstrates knowledge of the models, methods and statistical techniques used by economists to study human behavior.
 - **Demonstrates knowledge of the effects of government policies on efficiency, distribution, employment, price stability and growth.**
- Critical Thinking
 - Identifies a question (or problem) and gathers relevant information to analyze it.
 - **Draws inferences that are supported by the data/evidence and the analysis.**
 - **Synthesizes analysis and theory to draw conclusions or make recommendations.**
- Communication
 - **Constructs a logical argument based on economic principles and observed evidence.**
 - Effectively communicates in oral form.
 - Effectively communicates in written form.

Teaching Philosophy, and Course Learning Outcomes

The macroeconomic analysis in this course will be based on microeconomic foundation, i.e., we will first study the behavior of individual agents, and then describe their interaction in the economy. Throughout the semester we will cover the following topics:

- Stylized facts about the behavior of aggregate economic variables
- A One-Period Closed Economy Model:
 - derivation of labor supply and demand
 - the equilibrium in a competitive labor market
 - analysis of various government policies affecting the labor market
- Economic growth:
 - stylized facts about economic growth
 - models of economic growth (Solow growth model)
 - income inequality in the US

This course will provide you with skills that are (i) essential for understanding real-life macroeconomic issues and policies and (ii) will be actively used in higher level economics courses.

Prerequisite

- ECN 312, Intermediate Microeconomic Theory

Course Objectives

1. Learn stylized facts about the state of macroeconomy
2. Learn the language of macroeconomists and understand the relevant terminology
3. Learn basic tools needed to study macroeconomy
4. Analyze different policies affecting the macroeconomy
5. Discuss the relevant factors affecting macroeconomic variables

Suggested Reading

- Williamson, Stephen D. 2015. *Macroeconomics*, Pearson. 2nd edition or higher.

Course Policy

I will detail the policy for this course below. The final grade consists of written exams, written report and presentation, computer-based analysis and the ability to interpret the labor market conditions based on the theoretical topics covered in class.

Course Materials

All the course materials, including your homework assignments, class notes, reading assignments, announcements, and your grades will be posted on the Canvas. Students "must refrain from uploading to any course shell, discussion board, or website used by the course instructor or other course forum, material that is not the student's original work, unless the students first comply with all applicable copyright laws; faculty members reserve the right to delete materials on the grounds of suspected copyright infringement." If you have any problems getting into the Canvas, contact wpcareybb@asu.edu.

Copyright Material

All the course materials made available to you via Canvas (notes, homework assignments, articles, etc.) are for in-class use only and cannot be shared with anyone who is not enrolled in this class, unless with written consent from the instructor.

Grading Policy

- 20% Your grade will be based on *two* midterm exams (out of which the highest grades will account for 20 percent of the course grade).
- 30% A *comprehensive* final exam.
- 50% Online *review quizzes* posted each week.

Each week, you have two online quizzes. The deadline for these quizzes will be the end of the class weeks on **Saturday June 29th, 2019** at midnight. You can have as many attempt as you want before the deadline, and your final grade would be the highest score on all attempt for each quiz. This amounts to 12 quizzes and I will drop the lowest two grades. Each quiz will have 10 points for a total of 120. Dropping the lowest two quizzes will give you a total of 100 points.

In addition, you will be given regular homework assignments, for which you will receive no credit but completing which is essential for becoming proficient in the course material. Working on assignments in teams of 3-4 students is permissible and may be highly beneficial, as long as all team members engage in solving all the problems. I will go over the homeworks in class and discuss them thoroughly. You need to learn the materials of the homeworks in order to be ready for midterms and final exam.

Exam make-ups are available only to those with university approved valid justifications. If you miss a midterm or the final exam, you are responsible for providing evidence of unusual circumstances. *All make-up exams should be scheduled within one week* from the original date of the exam.

Upon receiving their graded exams, the students are encouraged to review them as soon as possible. Should the questions about the grades arise, the students should promptly contact the instructor. All grade appeals must be made *within one week since the graded exams are distributed*. After this period, no further grade changes will be made.

A rough guide to the grade distribution is as follows:

- 80% and above: A
- 60%-79%: B
- 40%-59%: C
- 35%-39%: D
- Below 35%: E

The grades with "+" or "-" would also be assigned according to the cutoffs determined later (e.g., those with 80 to 84% would receive A-, while those with 75-79% would receive a B+). The instructor reserves the right to change these cutoff points.

Classroom Policies

It is important that students are respectful towards fellow classmates and the Instructor, and that their behaviors do not interfere with nor disrupt class activities. Therefore, students are expected to adhere to the following rules:

- Plan to arrive to class on time and to stay for the entire class period (or until dismissed) because random arrivals and exits are disrespectful and distracting.
- All cell phones, smartphones, and other electronic devices must be turned off (or on vibrate) and hidden from view during class time.
- There is NO use of any electronic devices (e.g., cell phones, iPads, smartphones, laptops, etc.) allowed during exams.

- Laptop and tablet computers are allowed for (quiet) note taking only: i.e., other activities such as checking personal e-mail or browsing the Internet are prohibited.
- Students are responsible for what transpired if they miss a class. It is the student's responsibility to contact a classmate to determine what was missed.

Emailing the Instructor

If you email me about anything at all, you should always include two very important pieces of information: your name, and your ASURITE User ID. Please include the specific assignment and full text of the question in which help is needed to help me identify your concern fast without having to spend time looking it up on cumbersome websites such as MyASU and Canvas. In short, you need to help me help you.

Instructor Absence Policy

How Long Students Should Wait for an Absent Instructor: In the event the instructor fails to indicate a time obligation, the time obligation will be 15 minutes for class sessions lasting 90 minutes or less, and 30 minutes for class sessions lasting more than 90 minutes. Students may be directed to wait longer by someone from the academic unit if they know the instructor will arrive shortly.

Academic Integrity and Ethical Behavior

The W. P. Carey School takes academic integrity very seriously. Therefore, unless otherwise specified, it is imperative that you do your own work. Any suspected violations of *academic integrity* and violations of the **W.P. Carey School's honor code** will be taken seriously and result in the following sanctions:

- A minimum of zero on the assignment OR
- A reduced grade in the course OR
- A failure in the course OR
- An XE which denotes failure due to academic dishonesty on the transcript OR
- Removal from the W. P. Carey School of Business

Integrity Website: <http://provost.asu.edu/academicintegrity>

Honor Code: <https://my.wpcarey.asu.edu/academic-integrity/upload/Undergraduate-Honor-Code.pdf>

Please note that if a midterm exam grade is reduced due academic dishonesty, it must be factored in the final course grade, i.e. it cannot be dropped as the lowest grade when the total is computed.

Religious Accommodations

Accommodations will be made for students with religious holidays. Below is the calendar of official religious holidays. Each holiday noted with two asterisks denotes an observance for which work is not allowed. For these holidays, students will not be penalized in any way for missing class or assignment. This means that this will not count as an absence in class and they will be granted a makeup assignment or exam, etc.

<https://provost.asu.edu/index.php?q=religious-holiday-calendar>

University-Sanctioned Activities

Accommodations will be made for students who miss class related to university-sanctioned activities according to ACD 304-02. If you are participating in a university-sanctioned activity, please let the Instructor know as early in the course as possible so that accommodations can be made.

Tutoring Support

Please note that the W. P. Carey School of Business provides free tutoring in **BA 201** for a number of undergraduate business classes. Assistance with writing is also provided. More information regarding courses offered and hours are available here:

<https://my.wpcarey.asu.edu/undergrad/student-success/success-center.cfm?>

In addition to the W. P. Carey Student Success Center, Arizona State University provides writing assistance through multiple platforms – including in class workshops. More information can be found here: <https://tutoring.asu.edu/student-services/writing-centers>.

The W. P. Carey School of Business provides a variety of support services to our international students at the Global Education Center in **BAC 119**. More information can be found here: <https://students.wpcarey.asu.edu/resources/international-students/cultural-events>

Threatening Behavior Policy

The university takes disruptive and threatening behavior very seriously and these situations will be handled in accordance with the the *Student Services Manual*, SSM 102-02 **Student Services Manual**, SSM 104-02.

Prohibition Against Discrimination, Harassment, and Retaliation

Title IX is a federal law that provides that no person be excluded on the basis of sex from participation in, be denied benefits of, or be subjected to discrimination under any education program or activity. Both Title IX and university policy make clear that sexual violence and harassment based on sex is prohibited. An individual who believes they have been subjected to sexual violence or harassed on the basis of sex can seek support, including counseling and academic support, from the university. If you or someone you know has been ha-

ressed on the basis of sex or sexually assaulted, you can find information and resources at <https://sexualviolenceprevention.asu.edu/faqs>.

As a mandated reporter, I am obligated to report any information I become aware of regarding alleged acts of sexual discrimination, including sexual violence and dating violence. ASU Counseling Services, (<https://eoss.asu.edu/counseling>), is available if you wish to discuss any concerns confidentially and privately.

Disabilities Policy

If you need an accommodation for a disability, you must register with the **Disability Resource Center (DRC)** and submit the appropriate documentation.

Offensive Material

If the course requires material that could be deemed offensive by some students, you may bring this to my attention or that of the unit chair (Gustavo Ventura) or assistant director (Jose Mendez).

Information contained within this syllabus (*except grading and absence policies*) is subject to change.

Weekly Schedule

Class Begins: May 20, 2019

Last Day to Register or Drop/Add Without College Approval: **May 21, 2019**

Course Withdrawal Deadline: **June 9, 2019**

Complete Session Withdrawal Deadline: **June 27, 2019**

Classes End: **June 27, 2019**

Week 1, 05/20 - 05/24:

- Course Introduction
- Macroeconomic Data

Week 2, 05/27 - 05/31:

- Mathematical Preliminaries
- Consumer Behavior

Week 3, 06/03 - 06/07: **Midterm Exam 1 on Monday 06/03/2019!**

- Firm Behavior
- One-period model

Week 4, 06/10 - 06/14:

- Government
- Policy Analysis (income tax)

Week 5, 06/17 - 06/21: **Midterm Exam 2 on Monday 06/17/2019!**

- Policy Analysis (Productivity improvement)
- Income Inequality

Week 6, 06/24 - 06/28:

- Economic Growth Facts
- Solow Model

Final Exam on Thursday June 27th, 2019!