

Course Information and Syllabus:

Economics 102, Intermediate Macroeconomics, Fall 2011

Tue/Th 12:00-1:10, Bauer Center 34

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Textbook and Website Reading Material

The textbook for this class is Chad Jones' *Macroeconomics*, second edition (2011). It should be available at Huntley Bookstore as well as online at sites like amazon.com. In addition to this textbook, the reading material for this class will include a series of brief articles from the popular press and other sources, all of which will be posted on Sakai. I will also post problem sets, lecture notes, and other materials to this site throughout the semester.

Course Material

Macroeconomics is narrowly defined as the study of large economic aggregates. More broadly, however, the field can include virtually any interesting economic question and even some questions that might seem to fit more naturally into other disciplines such as finance, political science, or sociology. In this class, I hope to provide you with an understanding of how and why output, employment, and prices change over both short and long horizons, and I hope to accomplish this by including and emphasizing topics that will be of interest to you all. The goal is to build and master a set of models that guide our discussion of macroeconomic phenomena, and to learn how to use these models' logic to critically analyze different policy proposals.

Prerequisites

Economics 50 and some calculus.

Problem Sets, Exams, and Grading

There will be three problem sets in this class. The due dates for these problem sets are noted

on the course schedule below. I'll post the problem sets to Sakai at least two weeks before they are due. It is okay to discuss and collaborate on these, but each person must hand in his or her own copy of the completed problem set. **No late problem sets will be accepted.** There will be two midterm exams and one comprehensive final exam in this class. All exams will be closed-book and closed-notes. Prior to the exam dates, I will provide some sample questions and answers to help with preparation. **There are no make-up exams.**

The final grade for this class will be based on the problem sets and exams using the following weighting scheme:

20% Problem sets

20% Midterm 1

20% Midterm 2

40% Final exam

Students who score better on the final exam than on either of the two midterm exams will have their worst midterm grade replaced by their final exam grade. I believe this system helps insure everyone in the class against a one-time lapse on a midterm as well as providing an incentive to improve mastery of the material as the semester goes on.

Disability

If you have any problems with the terms of this syllabus due to a disability you must notify me within the first two weeks of the semester. Note that if you require alternative arrangements for the exams I must be contacted by the Dean of Students, but it is also your responsibility to coordinate with me about the time and place of your exam at least two weeks before that exam.

Preliminary Course Schedule

September 1: Introduction and Macro Basics

(Reading: Ch. 1-2, *Aberrant Abacus, Botox and Beancounting*)

September 6: Long-run Economic Growth

(Reading: Ch. 3, *More or Less Equal?*)

September 8: Basic Model of Production

(Reading: Ch. 4.1-4.2)

September 13: The Production Model and the Data

(Reading: Ch. 4.3-4.5, *The Role of Institutions in Growth and Development*)

September 15: Solow Growth Model
(Reading: Ch. 5.1-5.7)

September 20: More Solow
(Reading: Ch. 5.8-5.10, *The Myth of Asia's Miracle, Secret Sauce*)

September 22: Ideas and the Romer Model
(Reading: Ch. 6 without the appendix)

September 27: Labor Market and Unemployment
(Reading: Ch. 7.1-7.3, *An Increase in Structural Unemployment?*)

September 29: Labor Market and Wages, **Problem Set 1 due in class**
(Reading: Ch. 7.4-7.7, *The Evolution of Top Income Shares*)

October 4: Inflation
(Reading: Ch. 8)

October 6: **Midterm 1**

October 11: Inflation
(Reading: Ch. 8)

October 13: Short-run Economic Fluctuations
(Reading: Ch. 9)

October 18: No Class, Fall Break

October 20: The IS Curve
(Reading: Ch. 11.1-11.4)

October 25: Foundations of the IS Curve
(Reading: Ch. 11.5-11.6, *Much Ado About Multipliers*)

October 27: Monetary Policy and the Phillips Curve
(Reading: Ch. 12.1-12.3)

November 1: IS-MP Analysis
(Reading: Ch. 12.4-12.8, *Baby-Sitting Coop*)

November 3: Aggregate Supply and Aggregate Demand
(Reading: Ch. 13.1-13.5)

November 8: Monetary Policy, Stabilization, and Inflation
(Reading: Ch. 13.6-13.8, *Grim Expectations*)

November 10: The Great Recession, **Problem Set 2 due in class**
(Reading: Ch. 10.1-10.3, *How Scared of the Future?, End of the Great Moderation?*)

November 15: Some Finance Basics

(Reading: Ch. 10.4-10.5, *Credit Default Swaps, Securitization*)

November 17: **Midterm 2**

November 22: Efficient Markets and Bubbles

(Reading: Ch. 16.3, *Beauty of Bubbles, Tulipmania*)

November 24: No Class, Thanksgiving

November 29: Economics of Crises

(Reading: *Crises of Confidence and Bank Runs*)

December 1: The Short-run Model and the Great Recession

(Reading: Ch. 14.1-14.2)

December 6: Policy Responses to the Great Recession

(Reading: Ch. 14.3-14.4, *Breaking the Rule Book, Monetary-Policy Maze*)

December 8: Neoclassical Consumption Model, **Problem Set 3 due in class**

(Reading: Ch. 15.1-15.4, *Behavioral Macroeconomics*)

Common Final Exam: Tuesday, Dec. 13 from 2:00-5:00, Location TBA

This schedule is preliminary and is subject to change during the semester as needed.