

Economics 212
Intermediate Macroeconomics
Spring 2007

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Office Hours: Drop in office hours Monday, Wednesday, and Friday 9 am – 2 pm.
And by appointment

Course Description:

The purpose of this course is to develop the basic analytical models of modern macroeconomics. We will apply our models to gain an understanding of major macroeconomic problems such as unemployment, inflation and economic growth. Additionally, we will examine the policies available to governments to influence these variables and the economy.

Prerequisites: Econ 101, Mathematics 161, and Mathematics 176

Reading Material:

Required: Mankiw, N. Gregory, Macroeconomics (6th edition)
Kaufman, Roger, Study Guide and Workbook
Problems will be assigned with each chapter.
Economic Report of the President 2006
Download at <http://www.gpoaccess.gov/eop/>
Listed readings
Download from Blackboard (under External Links)
The Economist
Weekly current economic news readings

You are required to subscribe to The Economist (12 issues). **Subscribe by January 25.**
Order online at www.economistacademic.com using my unique Faculty Registration ID number, which is 2786.

Course Requirements and Grading:	Percentage
Exam 1 (Wednesday, February 28)	20%
Exam 2 (Wednesday, April 11)	20%
Problem Sets/ Quizzes	15%
Class Participation/ Attendance	10%
Cumulative Final Exam (TBA)	35%

Course information will be posted on **Blackboard**. You will need to “enroll” during the first week of class. Students should regularly check the course page for announcements, assignments and other useful information. **If you miss class, check Blackboard for any missed assignments and announcements.**

Problem Sets:

Problem sets will be assigned throughout the semester. **Stapled problem sets** are due at the beginning of the stated class period. Under no circumstances will late problem sets be accepted. Problem sets will be graded. The majority of your grade will be determined by the completeness of your problem set. Incomplete and poorly attempted problem sets will be penalized. If you do not hand in a problem set you will receive a zero. You are allowed to work with other students but each student should turn in an individually composed and legible problem set.

Quizzes:

Quizzes will be given throughout the semester. Each quiz will be announced one class period ahead and cover the most recent chapter and the most recent articles assigned from The Economist. Quizzes will be graded. Students missing a quiz will receive a zero. You may drop your lowest quiz grade.

Class Participation/ Attendance:

Class participation is strongly encouraged. Remember if you are absent from class you cannot participate. Excessive absenteeism will be penalized. Participation in our weekly discussion of current economic events is important and may be a critical factor in your final grade.

Exam Policies:

Exams will be given on the announced dates. If you have a conflict with one of the exam dates, you must tell me before the exam preferably as far in advance as possible. An excused exam will result in a re-weighting to the final exam. An unexcused exam will result in a zero.

Requests for a change in your grade on an exam must be made in writing within one week of the return of the exam. You must identify where and why you disagree with my assessment of your work. After reviewing your work I will meet with you during my office hours to discuss it. I reserve the right to make any additional corrections if they come to my attention.

Exams are an opportunity for you to demonstrate your mastery of the material. Mastery of the material includes more than just reproducing the examples covered in the text and in class. It includes showing you have the ability to apply the concepts we are learning to problems you haven't seen before. You will get practice solving problems in class and on problem sets.

Remember learning is more than knowing how to use a tool, it is recognizing when to use it.

Other Policies:

Cheating and plagiarism are not tolerated within the Lafayette community. Any student who violates the regulations on intellectual honesty will be subject to the penalties described in the Student Handbook.

The class is not graded on a strict curve; everyone can do well.

Course Outline and Readings:

A. Introduction

Chapters 1 and 2

Economic Report of the President 2006 (ERP) pages 25-42

B. The Economy in the Long Run

1. National Income

Chapter 3

2. Money and Inflation

Chapter 4 and Chapter 18 (pages 510-513 and 515-516)

Anderson, Richard G., "Inflation's Economic Cost: How Large? How Certain?"

<http://www.stlouisfed.org/publications/re/2006/c/pages/inflation.html>

3. The Open Economy

Chapter 5 and appendix

ERP 2006 pages 125-147

4. Unemployment

Chapter 6

ERP 2006 pages 49-64

Valetta, Rob and Jaclyn Hodges., "Age and Education Effects on the Unemployment Rate"

<http://www.frbsf.org/publications/economics/letter/2005/el2005-15.pdf>

5. Economic Growth

Chapter 8 appendix (skim chapters 7 and 8)

ERP 2006 pages 174-176 and 211-215

Stiroh, Kevin J., "What Drives Productivity Growth"

<http://www.newyorkfed.org/research/epr/01v07n1/0103stir.pdf>

Walsh, Carl E., "The Productivity and Jobs Connection: The Long and the Short Run of It"

<http://www.frbsf.org/publications/economics/letter/2004/el2004-18.pdf>

C. The Economy in the Short Run

1. Introduction to Aggregate Demand and Aggregate Supply

Chapter 9

2. IS/LM Model

Chapter 10

3. Aggregate Demand

Chapter 11

4. Aggregate Supply

Chapter 13

Humpage, Owen F. and Eduard Pelz, "Do Energy Price Spikes Cause Inflation?"

<http://www.clevelandfed.org/Research/Com2003/0401.pdf>

5. The Open Economy

Chapter 12 appendix

D. Epilogue

Pages 519-525

HOW TO SUCCEED IN INTERMEDIATE MACRO

1. Come to and participate in class: ask questions and stay engaged.
2. Read the chapters before coming to class.
3. Work daily: review notes after each class, practice problems every day, use the study guide and the companion website - www.worthpublishers.com/mankiw
4. Put effort into the problem sets: more effort early means less effort later.
5. Come to office hours: drop by to ask questions, review problems, or chat about the economy.