

# **ECON304: Intermediate Macroeconomic Theory**

**Section 01: MW 3:30 pm-4:50 pm, Integrated Science Center 1280**

## **Contact Information:**

**Instructor:** Professor Zhao Han; [zhaohan@wm.edu](mailto:zhaohan@wm.edu)

Office: Tyler Hall 247

Office Hours: MW, 2:30pm-3:20pm or by appointment (please email at least one day in advance).

**Teaching Assistant:** Wenyang Pan; [wpan03@email.wm.edu](mailto:wpan03@email.wm.edu)

Office Hours: Tuesday 8:20am-9:20 am, Wednesday 10:00am-10:50am @ Tyler 212

## **Required Textbook**

The required text for the course will be *Macroeconomics*, 6<sup>th</sup> Edition, by Olivier Blanchard and David H. Johnson.

## **Prerequisite**

Students should be familiar with the concepts of supply and demand, the basics of monetary and fiscal policy, and have some experience using equations, graphs, and tables to analyze economic situations. Students are also expected to be familiar with functions, their graphical representation, and the solution of simultaneous equations. Consistent study habits coupled with an eagerness to learn and ask questions will help to achieve the learning objectives.

## **Course Description**

This course takes an intermediate level approach to macroeconomic theory and its applications, building on the foundations developed in the introduction to macroeconomics. It will provide analytical tools and formal models to explain the behavior of output, inflation, employment, interest rates, exchange rates, and other aggregate economic quantities. This set of tools is used to understand current economic issues, forecast the behavior of the economy, and assess the impact of policy choices. This course is meant to train students to think in a structured, analytically rigorous way about macroeconomic questions. This training will allow students to use macroeconomics as an analytical tool rather than a set of assorted theories. Finally, it will help prepare students entering graduate education or starting careers in management, finance, or economic policy-making.

## **General Course Expectations**

You are expected to attend all class periods, read the lecture material prior to class, participate in the class, and take notes as required. The lecture will cover material in your textbook and some material that is not in your textbook. You are responsible for this supplemental material on course examinations. Your grade is determined by your performance on two midterm examinations, graded assignments, and a final examination. At any time, in class or during office hours, you are more than welcome to ask questions.

No question is a dumb question if something is impeding your learning. Questions will promote discussion and your insights could benefit the entire class.

### **Attendance Policy**

It is your responsibility to attend and participation in all class periods and throughout the term. I will randomly check attendance through the semester. **You will receive 2 points for attending the selected class that I check attendance, and all points you earn from attendance are extra credit.** The maximum attendance points you can earn will be 20 points (4% of the total course grade).

### **Examinations**

The examinations will be either multiple choice, or graphical/numerical problems, or short essay questions, or any combination of these three. There are two in-class midterm exams and a **comprehensive** final exam. Each midterm exam is worth 25% or 125 points of the course grade. The final exam is worth 30% of the course grade or 150 points of the course grade. The final exam is cumulative. The exams are scheduled on the following days:

**MIDTERM EXAM 1: Wednesday, Feb. 27<sup>th</sup>**

**MIDTERM EXAM 2: Wednesday, April 3<sup>rd</sup>**

**FINAL EXAM: May 3<sup>rd</sup>, 9:00am – 12:00pm**

Your schedule must permit you to be free to take all three exams. **There are no alternatives to taking the exams other than the scheduled time.** If you miss either midterm exam and you have a documented excuse from the Dean's office, the exam's weight will shift to the other exam. Excuses should be documented as far in advance as possible. If you miss an exam without a valid excuse, you will receive a zero and there will be no chance to earn those course points.

It is the policy of The College of William & Mary to accommodate students with disabilities and qualifying diagnosed conditions in accordance with federal and state laws. Any student who feels s/he may need an accommodation based on the impact of a learning, psychiatric, physical or chronic health diagnosis should be referred to Student Accessibility Services (SAS) staff at 757- 221-2509 or at sas@wm.edu. SAS staff will work with you to determine if accommodations are warranted, and if so, to help you obtain an official letter of accommodation. For more information please see [www.wm.edu/sas](http://www.wm.edu/sas).

### **Assignments**

**There will be 6 homework assignments.** You are allowed to drop the lowest homework score (or submit only 5 homework without any penalty). The graded assignment will be counted 20% or 100 points of your course grade. **Late homework is not graded and will be nullified and my TAs and I will follow this rule strictly. You must submit your homework at the beginning of the lecture of the due date.**

You are allowed and encouraged to work with other students on assignments and you may turn in one set of answers per group with up to 3 names. You can change groups throughout the semester. Problem sets are graded on accuracy as well as on effort. Answers that are vague, difficult to read, or incomplete will not receive full credit.

### Academic Integrity

I expect everyone to follow the Honor Code. Please see your student handbook for details. “As a member of the William and Mary community, I pledge on my honor not to lie, cheat, or steal, either in my academic or personal life. I understand that such acts violate the Honor Code and undermine the community of trust, of which we are all stewards.” A minimum penalty for any breach of academic integrity is the grade of “F” for the course.

### Grading Policy

It is your responsibility to keep track of your grades by regularly checking your Blackboard grade books. If you have a discrepancy, you will need to alert me in order to see if there is a mistake. The final grade for the course is based on the percentage of the number of adjusted total points earned. Use the below chart to determine your final course grade.

	<u>Possible Points</u>	<u>% of Total</u>	<u>Grade</u>	<u>Points</u>	<u>Percentage</u>
Assignments	100	20	A	500-460	100-92
Midterm Exam 1	125	25	A-	459-440	91-88
Midterm Exam 2	125	25			
Final	150	30	B+	439-425	87-85
Total	500	100%	B	424-405	84-81
			B-	404-385	80-77
			C+	384-370	76-74
			C	369-350	73-70
			C-	349-335	69-67

D+	334-320	66-64
D	319-300	63-60
D-	299-275	59-55
F	274-0	Below 55%

Modification of policies may be required during the semester. I will make explicit announcements pertaining to any such changes.

#### Tentative Schedule

01/16	Introduction and Measuring GDP, Unemployment and Inflation (Chapter 2);
01/23	The Goods Market (Chapter 3);
01/28	The Goods Market (Chapter 3); <b>Last day to add/drop classes</b>
01/30	Goods and Financial Markets: The IS-LM Model (Chapter 5 and Chapter 6)
02/04	The IS-LM Model continued (Chapter 5 and Chapter 6)
02/06	The Labor Market (Chapter 7), <b>Homework 1 Due</b>
02/11	The Phillips Curve, the National Rate of Unemployment, and Inflation (Chapter 8)
02/13	The AS-AD Model (Chapter 9)
02/18	The AS-AD Model
02/20	The AS-AD Model: Moving from Short Run to the Medium Run, <b>Homework 2 Due</b>
02/25	Review Session
<b>02/27</b>	<b>Midterm Exam 1</b>
03/11	The Facts of Growth (Chapter 10)
03/13	Saving, Capital Accumulation, and Output (Chapter 11)
<b>03/15</b>	<b>Last day to withdraw the course</b>
03/18	Saving, Capital Accumulation, and Output (Chapter 11)
03/20	More on Cobb-Douglas Production Function and Golden Saving Rate)
03/25	Technological Process and Growth (Chapter 12), <b>Homework 3 Due</b>
03/27	Technological Process: The Short, the Medium, and the Long Run (Chapter 13)
04/01	Review Session, <b>Homework 4 Due</b>
<b>04/03</b>	<b>Midterm Exam 2</b>
04/08	Expectations: The Basic Tools (Chapter 14)
04/10	Financial Markets and Expectations (Chapter 14 continued)
04/15	Expectations, Consumption, and Investment (Chapter 15)

04/17	Expectations, Consumption, and Investment (Chapter 15 continued), <b>Homework 5 Due</b>
04/22	Expectations, Output, and Policy (Chapter 16)
04/24	Catch up/Review Session, <b>Homework 6 Due</b>