

ECON 304: Intermediate Macro (Spring 2020)

Section 01: Mon/Wed/Fri 8:00-8:50, Tyler 134

Section 02: Mon/Wed/Fri 9:00-9:50, Tyler 134

CONTACT INFORMATION

Professor Throckmorton

E-mail: nat@wm.edu

Office: Tyler 268

Office Hours: Wed 10-11 and Thurs 8-10

or by appointment (please e-mail at least one day in advance)

RESOURCES

- Book: Olivier Blanchard, *Macroeconomics*, 7th Edition, Pearson, 2016. (ISBN: 0133780589)
- Data: <https://fred.stlouisfed.org/>
- Forum: <https://piazza.com/wm/spring2020/econ304>.

DESCRIPTION

In this course you will learn to apply macroeconomic theory, building on your introductory economic knowledge. You will learn analytical tools and formal models to explain changes in GDP, inflation, unemployment, wages, and interest rates. Those skills will help you understand current events, forecast macroeconomic variables, and assess the impact of government policies.

OBJECTIVES

- Find, summarize, and analyze macroeconomic data
- Use, solve, and explain intermediate level macroeconomic models
- Improve economic literacy by applying macroeconomic models to policy
- Effectively communicate macroeconomic concepts and relationships
- Distinguish between long-run trends and short-run business cycles

PREREQUISITES

ECON 102 (Principles of Macroeconomics). You 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. Solving systems of linear equations and taking good notes are also important skills. Consistent study habits coupled with an eagerness to learn and ask questions will help to achieve the learning objectives.

EXAMS

There are two in-class midterm exams and a **comprehensive** final exam:

Midterm Exam I	Monday, Feb 24	15% of your course grade
Midterm Exam II	Monday, Apr 20	15% of your course grade
Final Exam		30% of your course grade
Section 01 (8:00 class)	Friday, May 8, 9:00-12:00	
Section 02 (9:00 class)	Tuesday, May 5, 9:00-12:00	

If you miss a midterm exam, the weight will shift to the next exam. **You must take the final.**

Please note that anything discussed in class or any topic in the assigned reading from the textbook is “fair game” for the exams. There may be material presented in class that is not in your textbook, so **make sure that you have a full set of notes**. The exam questions will test your ability to understand and recall basic principles. They will also test your understanding of applications of theories, tools, and models. This means that you must learn to analyze hypothetical and “real world” problems that you encounter for the first time.

ASSIGNMENTS

A problem set is assigned after every section. There are 5 sections throughout the semester. Each problem set is worth a maximum of 50 points (250 total), making up 25% of your course grade. The problem sets will consist of multiple choice questions and short-answer/analytical exercises. That essential practice will help prepare you for the exams.

In addition to the problem sets, there are 3 data assignments. Each assignment is worth a maximum of 50 points (150 total), making up 15% of your course grade. The data assignments require you to find, summarize, and analyze important macroeconomic variables.

All assignments must be turned in on time on the due date by 5pm. Late work is *not* accepted. I encourage you to work together on problem sets, and you may turn in one set of answers per group with up to 3 names. I will not assign groups nor will I police them; you may change groups or work by yourself throughout the semester.

HONOR CODE

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.” Financial and economic crises are precipitated by breeches of trust, so you must understand this is not only very important to me but also to our entire society. I will not hesitate to punish violators of the Honor Code.

GRADES

Activity	Points	Percent
Problem Sets (5@50)	250	25%
Data Assignments (3@50)	150	15%
Exam #1	150	15%
Exam #2	150	15%
Exam #3 (Comprehensive Final)	300	30%

There are 1000 possible points in this class. You can miss the next highest grade by a single point. If you want to appeal any grading, please contact me no later than one week from the date I post your score. The following table indicates the minimum number of points needed to guarantee a certain grade.

Grade	Minimum Points	%	Grade	Minimum Points	%
A	920	92	C	700	70
A-	880	88	C-	670	67
B+	850	85	D+	640	64
B	800	80	D	580	58
B-	770	77	D-	550	55
C+	740	74	F	<550	<55

STUDENT ACCESSIBILITY SERVICES

William & Mary accommodates students with disabilities in accordance with federal laws and university policy. Any student who feels they may need an accommodation based on the impact of a learning, psychiatric, physical, or chronic health diagnosis should contact Student Accessibility Services staff at 757-221-2512 or at sas@wm.edu to determine if accommodations are warranted and to obtain an official letter of accommodation. For more information, please see www.wm.edu/sas.

TENTATIVE OUTLINE

The Data of Macroeconomics

Real/Nominal GDP, Inflation, Unemployment Chapter 2 Jan 24/27/29

The Short Run

The Goods Market Chapter 3 Jan 31, Feb 3/5

Due: Data Assignment #1 **5pm Feb 7**

Financial Markets Chapter 4 Feb 7/10

Due: Problem Set #1 (Chs. 2,3,4) **5pm Feb 14**

The IS-LM Model Chapter 5 Feb 12/14/17/19

Due: Problem Set #2 (Ch. 5) **5pm Feb 21**

Catch up/Q&A Feb 21

Exam #1 (Chs. 2,3,4,5): Monday, Feb 24

The Medium Run

The Labor Market Chapter 7 Feb 26/28

The Phillips Curve Chapter 8 Mar 2/4/6/16

Due: Data Assignment #2 **5pm Mar 6**

The IS-LM-PC Model Chapter 9 Mar 18/20/23/25/27

Due: Problem Set #3 (Chs. 7,8,9) **5pm Mar 27**

The Financial Crisis Chs. 4-4, 6-3/5, 9-2 Mar 30, Apr 1/3

The Long Run

The Facts of Growth Chapter 10 Apr 6/8

Due: Data Assignment #3 **5pm Apr 10**

Savings, Capital Accumulation, and Output Chapter 11 Apr 10/13/15

Due: Problem Set #4 (Chs. 4-4, 6-3/5, 9-2,10,11) **5pm Apr 17**

Catch up/Q&A Apr 17

Exam #2 (Chs. 4-4,6-3/5,7,8,9,10,11): Monday, Apr 20

Expectations

Financial Markets and Expectations Chapter 14 Apr 22/24/27/29

Catch up/Q&A May 1

Due: Problem Set #5 (Ch. 14) **5pm May 1**

Exam #3 (Chs. 2,3,4,5,6-3/5,7,8,9,10,11,14):

Section 01 (8:00 class): Friday, May 8, 9:00-12:00 (Tyler 134)

Section 02 (9:00 class): Tuesday, May 5, 9:00-12:00 (Tyler 134)