



EC197 INTERMEDIATE MACROECONOMICS ANALYSIS
IES Abroad Shanghai

DESCRIPTION:

The course starts by addressing the main questions that are the subject matter of macroeconomics, then we review the basic national income accounts. The first part of the course is about one question: what explains economic growth? The second part of the course discusses the economy in the short run. We will look at the effects of fiscal and monetary policies on the economy. The financial crisis will be covered as well.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

INSTRUCTOR: TBD

PREREQUISITES: (ECO 001) and (MATH 021, MATH 031, MATH 051, MATH 081, or MATH 076) or the equivalent

ADDITIONAL COST: None

REQUIRED WORK AND FORM OF ASSESSMENT:

- Problem Sets - 18%
- Participation - 7%
- Midterm Exam - 30%
- Final Exam - 35%
- Project - 10%

Problem Sets

A “problem set” (also known as homework) is essentially a list of exercises based on material covered. A problem set is a great tool to apply the material you have learned. There will be 9 problem sets each worth 2% of your grade. All problem sets will be graded. Please show all your work for full credit. Problem sets will be posted on Course site. However, you need to turn them as hard copies in class. Problem sets can be typed or handwritten. In designing the schedule, I tried my best to give you enough time for each problem set and hence no problem set can be accepted after the date on which it is due. You may work with your classmate (no outsiders) on the problem sets. However, you need turn in your own work. Copying another student’s solution is not permitted.

Participation

Participation points are earned by participating in the Financial Crisis Presentation. There will be in-class exercises where you are asked to work together on these exercises. Then, you will have a chance to share your solution with your classmate on the class board. You need to come to the class board at least once to earn all points.

Midterm Exam

There is one in-class exam. Prior to each exam, I will hold a review session.

Final Exam

There is one cumulative final exam.

Project

Doing a term project is an invaluable learning experience. In the short run, it is an opportunity to apply the tools you have just acquired. In the long run, it broadens your perspective by stepping away from memorizing formulas and facts to be recalled on the exam and let you focus on utilizing what you have learned to a real-world problem that interests you. For this semester, I have chosen students’ debt crisis as a research theme. Imagine that you were an economic adviser to one of the presidential candidates,



how would you advise him/her on this topic. Can you back up your argument by data? Note that I am not looking for an “ideal” policy recommendation. Remember that learning is not about final outcomes, learning is the process towards that final outcomes.

Given the time limitation of the semester, I do not expect you to write a draft paper. Instead, I prefer if you present your project to the class (please see the class schedule for presentation day). Ideally, your presentation should have the following component:

- 1) explain one aspect of the selected topics, that you will be working on,
- 2) analyze it using whatever economic tools you think is appropriate,
- 3) make an argument (i.e., take a policy stance),
- 4) backup your argument by some statistics, and
- 5) draw a policy conclusion.

The project is worth 10% of your grade and graded on the completion of the above 5 components.

LEARNING OUTCOMES:

By the end of the course, students will be able to:

- Critically evaluate economic policy at the macro levels using appropriate and basic models.
- Explain what makes some countries rich and others poor,
- Assess the stance of monetary and fiscal policies,
- Understand the basics of the recent financial crisis, and
- Promote students’ critical thinking and communication skills by applying the tools acquired during the semester to analyze a macro phenomenon via in-class presentation.

CONTENT:

Session	Content	Assignments
Session 1	Introduction to Macroeconomics	• Ch. 1
Session 2	Measuring the Macroeconomy	• Ch. 2
Session 3	Overview of Economic Growth	• Ch. 3
Session 4	A Model of Production	• Ch. 4
Session 5	A Model of Production	• Ch. 4 • Problem Set 1 Due
Session 6	Solow Growth Model	• Ch. 5
Session 7	Solow Growth Model	• Ch. 5 • Problem Set 2 Due
Session 8	Solow Growth Model	• Ch. 5

Session	Content	Assignments
Session 9	Solow Growth Model	<ul style="list-style-type: none"> Ch. 5
Session 10	Romer Model	<ul style="list-style-type: none"> Ch. 6 Problem Set 3 Due
Session 11	Romer Model	<ul style="list-style-type: none"> Ch. 6
Session 12	Review for the Midterm Exam	<ul style="list-style-type: none"> Problem Set 4 Due
Session 13	MIDTERM EXAM	
Session 14	Introduction to the Short Run	<ul style="list-style-type: none"> Ch. 9
Session 15	Introduction to the Short Run	<ul style="list-style-type: none"> Ch. 9
Session 16	Financial Crisis Presentation I	<ul style="list-style-type: none"> Ch. 10 Email Slides
Session 17	Financial Crisis Presentation II	<ul style="list-style-type: none"> Ch. 10 Problem Set 5 Due
Session 18	The IS Curve	<ul style="list-style-type: none"> Ch. 11
Session 19	The IS Curve	<ul style="list-style-type: none"> Ch. 11
Session 20	Monetary Policy and Phillips Curve	<ul style="list-style-type: none"> Ch. 12
Session 21	Monetary Policy and Phillips Curve	<ul style="list-style-type: none"> Ch. 12 Problem Set 6 Due
Session 22	AS/AD Framework	<ul style="list-style-type: none"> Ch. 13
Session 23	AS/AD Framework	<ul style="list-style-type: none"> Ch. 13 Problem Set 7 Due

Session	Content	Assignments
Session 24	AS/AD Framework	<ul style="list-style-type: none"> Ch. 13
Session 25	Project Workshop	<ul style="list-style-type: none"> Problem Set 8 Due
Session 26	Project Presentations I	<ul style="list-style-type: none"> Email Slides
Session 27	Project Presentations II	
Session 28	Review for the Final Exam	
Session 29	FINAL EXAM	

REQUIRED READINGS:

- Charles Jones, Macroeconomics, 4th edition. No access code is required.