Office: 205B Stevens Hall  Phone: 581-1862
Office Hours: T: 11-12; TH: 11-12; F: 9-10  Email: Breece@maine.edu
           and by appointment  FirstClass: James Breece


Readings (required): *The Wall Street Journal* found at: WSJ.com/studentoffer

Additional Readings:
    [Located on FirstClass]
(2) Alpha C. Chiang, *Fundamental Methods of Mathematical Economics*  
    [On reserve at the library]

FirstClass: a course conference has been automatically added to your desktop.  
Announcements and course materials will be posted in the course conference throughout the semester.

Fairmodel: During the semester we will be using a computerized macroeconomic model to conduct simulations that are intended to reinforce the textbook and classroom discussions. Fairmodel is located on the Web at the following address: fairmodel.econ.yale.edu/mmm2.htm. The associated workbook can be accessed at: fairmodel.econ.yale.edu/wrkbook/yaewrk.pdf

Course Requirements: Students must take all three exams and complete all required homework assignments. Each exam is worth 30% of the course grade and the total of the homework assignments is equal to 10%. There will be plus-minus grading.

Exam 1 ......................................................... October 7, 2013
Exam 2 ........................................................... November 11, 2013
Final Exam (cumulative) .............................. Finals week

Any missed exams are counted as zero. Students wishing to have the privilege of taking a make-up exam must notify me prior to the scheduled exam date. Attendance of the classes is the student’s responsibility and any cheating during the exams and homework assignments will result in automatic failure of the assignment. Students requesting special accommodations must contact me and the office of Disability Support Services (581-2319; TTY 581-2325) at the beginning of the semester.
**Course Description:** An examination of the development of modern economic analysis with regard to employment, income distribution, and stabilization policies.

**Objectives and Learning Outcomes:** The purpose of this course is to integrate macroeconomic theory and real world phenomena through a model building approach. Both qualitative and quantitative skills will be used in class along with a strong emphasis on economic causality. Upon completion of this course, students will have an understanding of modern macroeconomic theory and its application to policy, including the determination of national income, unemployment, and inflation; problems of macroeconomic management; fiscal and monetary policy and their limitations; and computer assisted policy simulations and forecasting. Students’ understanding of these concepts and issues will have been displayed through their learned analytical skills (modeling and graphics) and narrative explanations as demonstrated by completion of the course requirements.

**Course Outline and Reading List**

**Part 1: Overview of Macroeconomics**
- Dornbusch, Fischer, Startz..................................................Chapters 1, 2

**Part 2: Introduction of Mathematical Economics**
- Chiang Chapters 6, 7, 8
- Meyer.................................................................Chapter 1

**Part 3: Fundamental Economic Relationships**
- Meyer.................................................................Chapter 4

**Part 4: Model Building**
(1) Comparative Statistic Analysis
- Dornbusch, Fischer, Startz..................................................Chapters 5, 6, 7, 8
(2) Model Extensions
- Dornbusch, Fischer, Startz..................................................Chapters 9, 10, 11

**Part 5: Dynamic Analysis**
- Chiang .................................................................Chapters 16, 17

**Part 6: Economic Growth**
- Dornbusch, Fischer, Startz..................................................Chapters 3, 4

**Part 7: Re-examination of Essential Sectors**
(1) Consumption: Dornbusch, Fischer, Startz Chapter 13
(2) Investment: Dornbusch, Fischer, Startz ...............Chapter 14
(3) Money: Dornbusch, Fischer, Startz .....................Chapters 15, 16, 17, 18

Periodic readings will be assigned from the **Fairmodel** workbook, located on-line at: fairmodel.econ.yale.edu/wrkbook/yaewrk.pdf