



Eco 321
Intermediate Macroeconomics

James H. Breece
Fall 2013

Office: 205B Stevens Hall
Office Hours: T: 11-12; TH: 11-12; F: 9-10
and by appointment

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FirstClass: James Breece

Textbook (required): Robert J. Gordon, *Macroeconomics*, 12th Edition, 2012, Pearson/Addison Wesley

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

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: Analysis of the basic forces that cause fluctuations in economic activity and their effects on employment, investment, and business firms. Stabilization proposals examined and evaluated.

Objectives and Learning Outcomes: The purpose of this course is to integrate macroeconomic theory and real world phenomena. The issues surrounding the causes of inflation, unemployment, and national income are the subjects of serious debate. 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 technical terms and theories used by modern macroeconomists; the operation and interactions of goods markets, financial markets, and labor markets in determining national income, prices, and employment; policy objectives, implementation, and constraints; and the ability to conduct computerized simulations.

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

[Robert J. Gordon, *Macroeconomics*, 12th Edition, 2012]

Part 1: Introduction and Measurement

Chapter 1: What is Macroeconomics?

Chapter 2: The Measurement of Income, Prices, and Unemployment

Part 2: The Short Run: Business Cycles and Policy Responses

Chapter 3: Income and Interest Rates

Chapter 4: Strong and Weak Policy Effects in the IS-LM Model

Chapter 5: Financial Markets

Chapter 6: The Government Budget

Part 3: The Price Level, Inflation, and Unemployment

Chapter 8: Aggregate Demand and Aggregate Supply

Chapter 9: Inflation: Its Causes and Cures

Chapter 10: Stabilization Policy

Part 4: The Long Run: Economic Growth, Success, and Failure

Chapter 11: The Theory of Economic Growth

Chapter 12: Questions of Economic Growth

Part 5: Monetary Policy

Chapter 13: Money, Banks, and the Federal Reserve

Chapter 14: Monetary Policy

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