

# ECO 3203: Intermediate Macroeconomics

## Syllabus

**Instructor:** Shubhi Agarwal

**Email:** shubhi.agarwal@ufl.edu

**Office Hours:** Wednesdays, 9:30 AM-12:30 PM

**Course Time:** Tuesdays & Thursdays, 3-4 period (9:35 AM - 11:30 AM)

**Academic Year:** Fall 2020

### Course Description

Macroeconomics is the study of the economy as a whole, including growth in incomes, changes in prices, and the rate of unemployment. The objective of this course is to gain a formal understanding of macroeconomic topics such as what determines economic growth, what are the consequences of economic fluctuations, and what are the short run and long run determinants of aggregate income, wages rates, exchange rates, inflation rates, interest rates, and unemployment rates. In order to do this we will study the main models that have been developed by macroeconomists to explain the behavior of economies and to investigate the implications of those models for policy-making decisions. The principal material of this course is a presentation of the basic macroeconomic models of (a) long run growth and output mix and (b) business cycles and government policies which might be used to mitigate them. By the end of this course, you should have an understanding of the functioning of a modern macroeconomy and its ability to deliver goods and services both in the short-run and the long run.

### Prerequisites

Principles of Macroeconomics (ECO 2013), Principles of Microeconomics (ECO 2023), and an introductory calculus course (MAC 2233 or higher level course).

### Course Delivery

This course is a mostly asynchronous online course, but it follows a set daily schedule to which I will strictly adhere. The lectures have been prerecorded over each topic from that day's assigned textbook reading.

While the lectures are available, once they are posted, for the remainder of the course, you are strongly encouraged to stick to the schedule that is laid out in Canvas. All exams will be taken synchronously at the time listed below.

## Course Communications

Announcements concerning the class will typically be made in lecture videos and by email. You are responsible for all information made available through both of these avenues of communication. It is assumed that you are watching each lecture in a timely fashion (i.e., within 2 days of each being posted) and that you are regularly monitoring your UF email account (i.e., checking it daily).

E-mail relating to information about the class should be sent to the instructor at shubhi.agarwal@ufl.edu or through the course management system. Your message will be answered within one working day, in most cases. However, please refer to this syllabus and the course website.

Most of our one-on-one communication will occur via email. There are two important policies regarding email that you should keep in mind:

- 1) Check your UF email account at least once per day. I will send important class announcements and information to your UF email address.
- 2) All emails that you send must follow basic rules for professional correspondence. If you are unsure what constitutes a professional email, please do not hesitate to ask me. You must develop this skill before applying for internships, career positions, or graduate school.

## Course Resources and Hints for Success

**Textbook:** Mankiw, N. Gregory (2016) Macroeconomics, 9th edition published by Worth Publishers (ISBN-13: 978-1-4641-8289-1). Lectured will be mostly based on this textbook.

This course has a website on Canvas (elearning.ufl.edu). Assignments and grades will be posted here. If you have trouble logging in, please let me know.

The assignments and practice questions are the greatest resource you have. These problem sets provide an almost-comprehensive review of the relevant course material and solution techniques. These practice questions offer insight into the structure and difficulty level of the actual exams, but they do not necessarily cover the same material. Lecture slides will be posted online. Superficial cramming will not lead to success; keeping up with the material is essential. After each lecture, review your notes, and test whether you understand a particular concept.

You are encouraged to attend virtual office hours. Attempt practice question sets before you bring questions to office hours; the problem sets are substantially less beneficial if you do not attempt them on your own.

**Computing requirement:** The University requires access to and on-going use of a computer. This should not be a tablet device or smartphone, but an actual desktop or laptop computer. To succeed in this course, you will also need a stable internet connection and appropriate space to take online exams using the Honor Lock proctoring service. Minimum equipment specifications are available at <https://it.ufl.edu/policies/student-computing-requirements/>.

**Class Times and the Time Zone:** While this course is delivered online asynchronously, all exams (and quiz) will be taken synchronously during our assigned class time: Tuesday and Thursday during 3rd and 4th periods. You are expected to be available during those times. You should confirm your availability before the end of Drop/Add Week and adjust your schedule accordingly.

Additionally, please keep in mind that all times listed on this syllabus and announced in class are according to Eastern Standard Time (i.e., Gainesville time). If you are not located in the Eastern Standard Time zone, you should adjust all times for synchronous activities and due dates accordingly.

## Exams

There will be 2 exams and a quiz which together account for 80% of your final grade. If you cannot attend one of the exams, or if you need special accommodation, please let me know as early as possible. Your exams will be closed book administered online in Canvas using the Honor Lock proctoring service. All exams will be taken synchronously (i.e., at the same time) to maintain academic integrity. The quiz will be available for 24 hours with a time limit. The date and time of each exam and quiz are listed below. Again, all times are based on the Eastern Standard Time zone; adjust accordingly if you are not taking the course from this time zone. If you begin an exam more than 15 minutes late, your score will be invalidated.

Exam	Date	Time
Exam 1	Thursday, October 1	9:35am
Quiz	Thursday, October 22	9:35am
Exam 2	Thursday, December 3	9:35am

Exams or quiz are non-cumulative but may implicitly use concepts covered on previous exams or quiz. You may not consult with others or use notes of any kind during any exams. Non-programmable, four-function and scientific calculators are allowed. Graphing calculators (such as the TI-83) are definitely not allowed. If you are unsure if your calculator is allowed, please ask.

**Exam Make-up Policy:** There are few valid reasons to miss an exam in this class. Exam dates and times are announced far enough in advance for students to clear up conflicts without my involvement. When academic or religious conflicts exist or emergencies arise, make-up exams will be provided. Make-up exams are only provided with documentation of an absence that is explicitly excused by the UF Attendance Policy.

In the case of known conflicts and all non-emergency illnesses/issues, requests for makeup exams must be made five business days before the regularly scheduled test date. Make-up requests may be sent to my email address, shubhi.agarwal@ufl.edu.

Emergencies will be handled on a case-by-case basis. Any unexcused absence from an exam (e.g., because you thought you were supposed to take an online exam) will result in a zero for that exam.

## Assignments

There will also be 4 assignments during the semester which account for 20 % of your final grade. Note the due dates listed in the course schedule below. Late problem sets are not accepted. Your answers must be legibly written or typed and graphs drawn neatly.

The assignments will be based on the lectures (based on text book chapters) covered in class which will be posted at the end of class period and will be due in a week time at the beginning of class time. I will be posting assignments as a PDF and the students should submit their work as PDF files directly into Canvas. Students can collaborate on these assignments but cannot copy each other's work and need to submit their own work.

## Grading

I do not offer incomplete grades, substitute work, or grade changes. Your grade is split across the following:

Assignments	20%
Quiz	20%
Exam 1	30%
Exam 2	30%
Total	100%

Grading scheme will be according to the following:

Percent	Grade
92-100	A
90-91.99	A-
87-89.99	B+
83-86.99	B
80-82.99	B-
77-79.99	C+
73-76.99	C
70-72.99	C-
60-69.99	D
0-59.99	E

Grades will be changed only when an error has been made; negotiation is not appropriate. Grades will be posted on the e-Learning course page at <http://elearning.ufl.edu/>. The current UF grading policies for assigning grade points is available at <https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>.

If you are concerned about your ability to obtain a certain grade that you aim for, you should contact the instructor as early as possible during the semester. (Not at the end of the semester.)

# Tentative Course Schedule

## Module 1- Introduction

In this first module, we will prepare ourselves for the semester by reviewing the course syllabus and policies, discussing the broad questions that macroeconomics aims to answer or address, and (re-)familiarizing ourselves with the key data of macroeconomics. We will review the definitions and methods for calculating Gross Domestic Product, the Consumer Price Index, and Unemployment. Unlike future modules, Module 1 is just one week.

#	Date	Topic
1	T, Sep 1	Syllabus & Introduction Mankiw, Chapter 1
2	R, Sep 3	The Data of Macroeconomics Mankiw, Chapter 2

## Module 2- Classical Theory: The Long Run

Module 2 introduces the Classical Theory of Macroeconomics, which focuses on the economy in the long run. This “long run” refers to the time horizon over which all prices are flexible. We will begin by developing the basic classical model of national income. We will then introduce money and prices into this model of the economy in Week 2. And in Week 3, we will relax the assumption of full employment to examine the dynamics of the labor market and the natural rate of unemployment.

#	Date	Topic
3	T, Sep 8	National Income Mankiw, Chapter 3
4	R, Sep 10	National Income Mankiw, Chapter 3
5	T, Sep 15	Monetary System Mankiw, Chapter 4
6	R, Sep 17	Inflation Mankiw, Chapter 5 <b>Assignment 1 due</b>
7	T, Sep 22	Inflation Continued & Unemployment Mankiw, Chapter 5 & 7
8	R, Sep 24	Unemployment & the Labor Market Mankiw, Chapter 7

#	Date	Topic
9	T, Sep 29	<b>Exam 1 Review</b> <b>Assignment 2 due</b>

10 R, Oct 1 **Exam 1**

### Module 3- Growth Theory: The Very Long Run

In Module 3, we will build on the Classical Model of Macroeconomics by introducing a dynamic component. This will allow us to discuss economic growth. We will begin by developing the Solow Growth Model in Week 1. This model sheds some light on how the economy evolves (or grows) over time. In Week 2, we will introduce technological progress into the Solow Growth Model. As we will discuss, technological progress is the key to economic growth.

#	Date	Topic
11	T, Oct 6	Economic Growth I : Solow Model Mankiw, Chapter 8
12	R, Oct 8	Economic Growth I : Solow Model Mankiw, Chapter 8
13	T, Oct 13	Economic Growth II: Technology Mankiw, Chapter 9
14	R, Oct 15	Economic Growth II: Technology Mankiw, Chapter 9
15	T, Oct 20	<b>Quiz Review</b>
16	R, Oct 22	<b>Quiz</b>

### Module 4- Business Cycle Theory: The Short Run

In Module 4, we will study the short run. The “short run” is defined as the time horizon over which (at least, some) prices in the economy are sticky. We will begin by reviewing some key facts that describe short-run fluctuations in economic activity. In Weeks 2 and 3, we will develop and examine Aggregate Demand. Aggregate Demand represents all spending in the economy. We will study the “Keynesian Cross” and discuss liquidity preferences to build the IS-LM Model. We will then employ this IS-LM Model to explain short-run economic fluctuations. Finally, in Week 5, we will discuss Aggregate Supply. This will allow us to investigate the potential short-run trade-off between unemployment and inflation.

#	Date	Topic
17	T, Oct 27	Economic Fluctuations Mankiw, Chapter 10
18	R, Oct 29	Economic Fluctuations Mankiw, Chapter 10
19	T, Nov 3	Aggregate Demand I: Building the IS-LM Mankiw, Chapter 11
20	R, Nov 5	Aggregate Demand I: Building the IS-LM Mankiw, Chapter 11 <b>Assignment 3 due</b>
21	T, Nov 10	Aggregate Demand II: Building the IS-LM Mankiw, Chapter 12
22	R, Nov 12	Aggregate Demand II: Applying the IS-LM Model Mankiw, Chapter 12
23	T, Nov 17	Aggregate Demand II: Applying the IS-LM Model Mankiw, Chapter 12
24	R, Nov 19	Aggregate Supply & Trade-off Between Inflation and Unemployment Mankiw, Chapter 14
25	T, Nov 24	Aggregate Supply & Trade-off Between Inflation and Unemployment Mankiw, Chapter 14 <b>Assignment 4 due</b>
-	R, Nov 26	<b>No Class: Thanksgiving Break</b>
26	T, Dec 1	<b>Exam 2 review</b>
27	R, Dec 3	<b>Exam 2</b>

## **Course Policies**

### **Privacy Policies**

Student records are confidential. Only information designated “UF directory information” may be released without your written consent. UF views each student as the primary contact for all communication. If your parents contact me about your grade, attendance or other information that is not “UF directory information”, they will be directed to contact you. More information can be found at <https://catalog.ufl.edu/ugrad/current/regulations/info/student-ferpa-rights.aspx>

### **Excused Absence**

Absences are considered excused only after you have provided documentation of a conflict that is explicitly covered in the UF Attendance Policy (<https://catalog.ufl.edu/UGRD/academic-regulations/attendance-policies/>). If you are unable to provide documentation, you may be able to have your absence excused by the Dean of Students Office in extenuating circumstances. All other absences are considered unexcused. Any unexcused absence from an exam, quiz, or other graded assignment will result in a zero.

### **Instructor’s Honor Code**

We the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

### **Academic Honesty**

UF students are bound by The Honor Pledge which states, “We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: ‘On my honor, I have neither given nor received unauthorized aid in doing this assignment.’” The Honor Code (<http://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions. Furthermore, you are obligated to report any condition that facilitates academic misconduct to appropriate personnel. If you have any questions or concerns, please consult with the instructor.

### **Students with Disabilities**

Students who require special accommodations in class or during exams should first register with the Disability Resource Center at 352-392-8565, <http://www.dso.ufl.edu/drc/> by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

### **Student Athletes**

Student athletes are responsible for reporting any days they are unable to attend class due to conflicts with their athletic schedule by the second week of class. If this is not possible (tournaments,



other unforeseen athletic schedule changes) please notify me as soon as possible so I have time to make appropriate accommodations.

### **Course Evaluation**

Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu/>. Evaluations are typically open during the few weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>.

The syllabus is subject to change. You will be notified if there is a change.