

University of Florida
Intermediate Macroeconomics: ECO 3203
Fall 2019

Professor:	Dr. Stephen Calabrese
Office:	MAT 324
Office Hours:	Friday 10-12pm or e-mail to make an appointment
Phone:	352-846-1988
E-Mail:	scalabrese1@ufl.edu
Teaching Assistant:	Urbashi Mookerjee
Office:	MAT 301A
Office Hours:	Mondays 3-5pm or e-mail to make an appointment
Phone:	352-392-5805
E-Mail:	umookerjee@ufl.edu

Course Materials:

- 1) *Macroeconomics*, Sixth Edition, Person-Addison Wesley, by Stephen D. Williamson.
- 2) Access to a computer with e-mail, internet capability and a printer.
- 3) Colored pens, pencils or markers and a straight edge for drawing accurate graphs. You might find that it is helpful to take notes on graph paper in this course. A calculator is also helpful - you won't need anything fancy.

Course Content

Why are there fluctuations in aggregate economic activity? What are the economic effects of fiscal and monetary policies? What causes inflation? Macroeconomics as a field seeks to provide answers to these and many related questions. It deals with the economic behavior of large collections of consumers and firms.

In trying to explain the dynamics of economic data such as gross domestic product, unemployment, investment, etc. macroeconomists use formal models. These models are simplified formal descriptions of consumers and firms, their objectives and constraints, and the way they interact in different markets.

The goal of this course is to introduce students to the main features of macroeconomic data, to the formal models that macroeconomists use to interpret these data, and to the use of these models to understand and predict the effects of macroeconomic policies.

This course follows a modern approach to macroeconomics by building macroeconomic models from microeconomic principles. As such, it is consistent with the way that macroeconomics research is conducted today.

This approach has three advantages. First, it allows deeper insights into economic business cycles, the key macroeconomics topic we will cover in this course. Second, emphasis on microeconomic foundations better integrates the study of macroeconomics with approaches that students learn in courses in microeconomics and the field courses in economics. Learning in macroeconomics and microeconomics thus becomes mutually reinforcing, and students learn more. Third, in following an approach to macroeconomics that is consistent with current macroeconomic research, students will be better prepared for advanced study in economics.

Course Requirements and Expectations

1) Prerequisites: Students are expected to have completed an introductory course in economics, an intermediate course in Microeconomics, and a course in differential calculus. We make extensive use of graphs and basic algebra. We will use differential calculus at certain points in the semester. It is assumed that you are comfortable with these tools. Any students having difficulties with the mathematics used in this course should let me know immediately; I'll be happy to help you develop the skills you need. Although we will not be directly using differential calculus extensively, understanding the concepts of differential calculus will be useful in understanding the models we develop in this course.

2) Format of the course: There will be four 50-minute lectures per week. The lectures will run from 1:55pm – 2:45pm and 3:00pm – 3:50 pm on Tuesdays and Thursdays. In lectures, we will cover new material and solve exercise problems. A day a homework (see below) is due to be submitted, we will go over the answers to the homework in the 1:55pm – 2:45 lecture.

3) Attendance Expectations: You are expected to attend all classes unless you have a family or health related emergency. It will make learning the material much easier if you regularly attend lectures. Attendance and class participation is 10% of the total grade.

Each student will be assigned a seat that he/she will sit in for every lecture. Attendance will be taken at the beginning of every class. The attendance will be taken by examining the empty seats and the seating chart. If a student is not in his/her assigned seat at the beginning of class, you will receive no credit for attendance. If a student arrives to class after attendance is taken, he/she will be marked absent and not receive credit for attendance. **If a student leaves the class at any time during the class, the student will not receive attendance credit even if he/she returns to class before the class is over, unless the student speaks to me after class and explains why he/she left class and I accept the explanation as a valid excuse for leaving the class.**

In each lecture, we will cover new material. It will be important to attend the lectures, not only for the attendance grade, but because the lectures will help you to better understand and answer

the homework problems. I will even go over some of the homework problems in lecture before the homework is due.

The instructor will not repeat instructions or material covered in the lecture during office hours simply because you skipped the lecture. When you must miss a class it is your responsibility to get lecture notes and assignments from another student and make a good-faith attempt to understand the material covered. If you are unclear about the material covered, please meet with the TA or me before the next lecture.

If you miss a class, the only way you will not lose attendance credit is if you provide a valid written medical excuse from a doctor.

If you are habitually absent, you are on your own. You will have to learn the material yourself, and neither the TA nor I will meet with you during office hours.

4) Class Participation: When attending class please arrive on time, stay for the entire class, and spend the class time taking notes. I will ask you to leave if you are overly late or habitually late.

Come to class prepared. Students are expected to read the suggested section of the texts and other readings prior to the regular class meetings. As a guideline, faculty expects that you will spend at least 2 hours preparing for class for each hour you spend in class. That means 100 minutes of preparation for a 50-minute class period. Do not get behind. You need to spend significant time on class preparation before every class rather than letting work pile up.

You are welcome and encouraged to ask questions during the class. I have a tendency to talk fast so it is fine to ask me to slow down, clarify or amplify on the material. Please direct questions and comments to me. This also helps me know when I should slow down or further elaborate on an issue. In addition, if my handwriting becomes hard to read, please let me know and I will improve it.

Talking with fellow students during class is completely unacceptable. It is extremely inconsiderate to other students, and the instructor. You will be asked to leave the class if you talk with other students.

Make sure your cell phone is turned off during class. If it rings during class, you will be asked to leave the class.

Laptops are not permitted in class. Lecture notes will be posted on canvas before class and you should download and print these notes and bring them to class. You can take notes on these slides. You will be asked to leave the class if you have a laptop.

Do not sleep in class. If you cannot stay awake, please skip the lecture. You will not get credit towards attendance if you sleep through a class.

5) Internet Resources: In order to participate fully in this class, you must have access to a computer with e-mail, internet capability and a printer.

I will post my PowerPoint lecture slides on the course Canvas. Other class material and information will also be posted on the Canvas site. Also, much of the class communication will occur on Canvas. I will post homework assignments on Canvas.

Again, please print a copy of the PowerPoint slides before class for each relevant chapter. I will be using these slides, so you can take notes directly on them as I discuss them during class.

Because of time constraints, I will not go every slide. When studying concentrate on the slides I go over in class.

6) Working in Groups: Students are permitted and encouraged to work on homework problems in groups of 2 students. Any verbatim copying on homeworks between groups will be considered cheating by all students involved. **Academic integrity is take very seriously, any student caught cheating will be immediately referred to the Dean's office.** First offense of any cheating or plagiarism on a homework will result in reduction by one letter grade of your overall course grade. A second offense will result in failure of the course.

Students are strictly prohibited from working together on exams. **Any collusion on in-class exams will result in failure of the course.**

7) Office Hours: The instructor and the TA will only definitely meet with students during office hours or by appointment made through email. It is preferable and very much encouraged that students attempt to go to the instructor's or TA's office hours before scheduling an appointment by email.

If students do come to our offices during non-office hours and without an appointment, we will meet with them only if we have the time to meet with them. Do not come to our office during non-office hours to ask to make an appointment or to pick up a graded exam that you can get at lecture or during office hours.

Homework Assignments

There will be SIX homework assignments. Your lowest homework grade will be dropped. Each homework will be worth 4% of your overall grade for a total of 20% of your overall grade. Each will consist of both mathematical exercises and essay questions. Make a copy of all submitted assignments. Submit the original and bring the copy to class. We will go over the answers to the assignments. Keep your copies to make notes on them as we go over the answers. You may submit your homework assignments early if you cannot make the class when the assignments are due. You will receive no credit if your assignments are not turned in on time. Treat them as if they were assignments with a firm deadline at your job. The assignments are designed to help you learn the course material. These assignments will include material we have previously covered in class as well as questions that are designed to preview material we will discuss in following classes.

As stated above students are permitted and encouraged to work on homework problems in groups of 2 students. Any verbatim copying on homeworks between groups will be considered

cheating by all students involved. **Academic integrity is take very seriously, any student caught cheating will be immediately referred to the Dean's office.** First offense of any cheating or plagiarism on a homework will result in reduction by one letter grade of your overall course grade. A second offense will result in failure of the course

Evaluation Criteria and Dates for Assignments and Exams

There will be two midterm examinations and a final examination. These exams will consist of essays and exercises based on the lectures, exercises solved in class, readings from the text, other provided readings, and on homework questions. **Exams are non-cumulative.**

Exam dates will not be rescheduled. Students may be excused from exams only under very unusual circumstances and only if arrangements are made in advance.

Make-up exams will only be given for a valid written medical excuse from a doctor. Make-up exams will be more difficult and rigorous than the original exam. This is only fair since you have extra time to study for make-up exams.

The questions, answer sheets, and answer keys to the exams will not be returned or posted on canvas. In order for a student to appeal an exam grade, a written appeal must be submitted. **Also, the exam must be written in pen.** During the class day after each exam day, I and/or the TA will go over the answers to the exam questions. You must attend this session if you want to have the right to appeal your exam grade. Only students who stay for the whole class time when I and/or the TA go over the answers to an exam will have the right to appeal their grades. After we go over the answers to the exam, students will have the remainder of class time if they wish to write an appeal and attach it to his/her exam and submit it. The written appeal must be submitted by the end of class time.

Again, in order to appeal your exam grade, you must submit a written appeal attached to your exam by the end of the class after the exam. Your whole exam will then be graded again.

Also, all exams must be returned to the me. You must return your exam immediately back to me after the answers to the exam are reviewed. If you plan to appeal, your appeal must be attached and returned with your exam.

Five Homework Assignments: combined total,	20% of grade
First Exam	20%
Second Exam	25%
Final Exam	25%
<u>Attendance/Class Participation</u>	<u>10%</u>
Total	100%

Dates of Assignments and Exams

<u>Assignment/Exam</u>	<u>Due</u>
Assignment #1	Sept. 3 (Tues.)
Assignment #2	Sept. 17 (Tues.)
Exam #1	Sept. 19 (Thurs.)
Assignment #3	Oct. 8 (Tues.)
Assignment #4	Oct. 22 (Tues.)
Exam #2	Oct. 24 (Thurs.)
Assignment #5	Nov. 14 (Thurs.)
Assignment #6	Dec. 3 (Tues.)
Final Exam	Dec. 11: 10:00 AM - 12:00 PM (Wed.)

COURSE OUTLINE AND READING ASSIGNMENTS: Each topic will take 1 or 2 weeks. We probably will not have time to cover all the topics, but we will do as many as possible.

I. Introduction and Measurement Issues

Introduction	Chapter 1
Measurement	Chapter 2
Business Cycle Measurement	Chapter 3

II. A One-Period Model of the Macroeconomy

Consumer and Firm Behavior: The Work-Leisure Decision and Profit Maximization	Chapter 4
A Closed-Economy One-Period Macroeconomic Model	Chapter 5

III. Savings, Investment, and Government Deficits

A Two-Period Model: The Consumption-Savings Decision and Credit Markets	Chapter 9
A Real Intertemporal Model with Investment	Chapter 11

IV. Money and Business Cycles

Money, Banking, Prices, and Monetary Policy	Chapter 12, pages 442–449 and 457–473.
Business Cycle Models with Flexible Prices and Wages	Chapter 13, pages 478–489
New Keynesian Economics: Sticky Prices	Chapter 14