

# ECO 3203: INTERMEDIATE MACROECONOMICS

Sankalp Mathur

University of Florida, Spring 2023

E-mail: sankalpmathur@ufl.edu

Class Hours: T/R 1:55 - 3:50 PM

Class Room: MAT 0018

Office Hours: T/R 4:00 - 5:00 PM

Office : MAT 341 B

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## Course Description

The economic decisions made by the households, firms, the government, and the financial institutions interact with each other in a complex way. The objective of this course is to take a step back and look at the bigger picture, the "macroeconomy". The coursework is designed to introduce modeling techniques to discern the interplay of these economic agents. The course intends to ground our understanding of the interaction between aggregate economic variables like the inflation rate, the growth rate, the unemployment rate, the interest rates, the tax rate, etc, and the economic-political relationship between them. We will study why certain countries are rich and some are not. Towards the end, we will study how the government can use fiscal and monetary policy tools to stabilize the economy when faced with adverse shocks.

## Required Materials

- Mankiw, N. Gregory Macroeconomics, 11th edition published by Worth Publishers (ISBN-13: 978-1-319-26390-4). Lectured will be mostly based on this textbook.

## Prerequisites

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

## Class Modality

This is a fully in-person course. Lectures will not be streamed nor recorded. All midterm exams will take place in person, during our scheduled class times.

## Student Evaluations

The final course grade is determined by your performance on the midterm exam (25%), the final exam (25%), five homework assignments (5% each), the group project (15%) and class attendance and participation (5%).

## Grading Scale

The scale listed below is firm and final grades will not be rounded.

- A | 92.00 – 100
- A- | 90.00 – 91.99
- B+ | 88.00 – 89.99
- B | 82.00 – 87.99
- B- | 80.00 – 81.99
- C+ | 78.00 – 79.99
- C | 72.00 – 77.99
- D+ | 68.00 – 69.99
- D | 62.00 – 67.99
- D- | 60.00 – 61.99
- E | 0 – 59.99

The above grading policies are consistent with UF policies regarding grade determination. This information can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

## Exams

There are two exams in this course: the midterm exam accounts for 25% weight and the final exam accounts for 25% weight in the final evaluations. The exams will be in-class, in-person, closed-book and in our regular class-room. You are allowed to use a four-function calculators during the exam. The exam dates and the syllabus are

1. **Midterm Exam - March 2nd (Thursday):** Chapters 1-4,5 and 7-9
2. **Final Exam - April 25th (Tuesday) :** Chapters 11-13,15

## Make-Up Exam

Make-up assignments and exams will be arranged only for absences that are explicitly covered by the [UF Attendance Policy](#). Whenever possible, you should reach out at least five business days in advance to arrange a make-up assignment or exam. Of course, this will not always be possible. Unforeseen absences and emergencies occur and can be excused without such advance notice. In most cases, you will be asked to provide evidence or documentation of an absence that is explicitly excused by the UF Attendance Policy. Absences related to religious holidays and worship do not require this documentation.

## Homework Assignments

There are five homework assignments in this course, each accounting for 5% of your final grade. These assignments are due at 11:59 pm (before midnight) on the due dates (tentative) through Canvas. You are encouraged to work with your classmates while completing these assignments. However, you must turn in your own work. Submitting a classmate's work as your own is a violation of the [UF Student Honor Code](#). Assignments are subject to the make-up policy described above. Late assignments (even a few minutes late) will only be accepted if you have an excused absence. In the case of expected absences, arrangements should be made at least five days in advance. Make sure that your submissions are legible, scanned properly (please use applications like CamScanner) and submitted in a ONE PDF file.

1. **Assignment 1: January 26 (Thursday)**
2. **Assignment 2: February 9 (Thursday)**
3. **Assignment 3: February 23 (Thursday)**
4. **Assignment 4: April 4 (Tuesday)**
5. **Assignment 5: April 18 (Tuesday)**

## Group Project

The goal of the group project is to enhance team collaboration skills, critical thinking and apply the class knowledge/theories to real-life settings. Students will form a group of 5-6 and will enact the role of "economic advisors" to the President of the United States. The project will be evaluated on a 20 minutes presentation at the end of the course where students prepare a step-by-step economic analysis of the current state of the economy and provide a tightly reasoned policy recommendation on the current macroeconomic issues using theories and applications covered in class.<sup>1</sup> The presentations must cover five important dimensions:

1. Description of the current state of the U.S economy (present trends and data on relevant economic variables)

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<sup>1</sup>Strasser, Georg, and Marketa Halova Wolfe. "Learning to argue with intermediate macro theory: A semester-long team writing project." *The Journal of Economic Education* 45.3 (2014): 191-210.

2. Arguing if the US economy is heading towards a recession and your reasoning behind it (using the data presented, comparison of current trends with the past and using economic intuition to predict the possibility of a recession)
3. Evaluation of the current monetary policy taken by the Fed (use theories covered in class to justify the policy action taken by the Fed)
4. Evaluation of the current fiscal policy taken by the Congress
5. A summary of the most pressing issues in the US economy and your policy recommendations to address them.

## Professionalism and Honor Code

Students are bound to not cheat or plagiarize, and 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.'"*

You should familiarize yourself with the UF Student Honor Code. Cheating and plagiarism are not the only violations of this policy. Importantly, ignorance of a policy is not a valid reason for violating it.

## Students Requiring Accommodations

Students with disabilities requesting accommodations should first register with the Disabilities Resource Center (392-8565; <https://disability.ufl.edu/>), providing appropriate documentation. Once registered, students will receive an accommodation letter that can be presented to the instructor when requesting accommodations. Please register at the beginning of the course if seeking accommodations.

## Course Evaluation

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Students will be notified when the evaluation period opens, and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via [ufl.bluera.com/ufl/](http://ufl.bluera.com/ufl/).

## Health Counseling and Emergencies

- *U Matter, We Care*: If you or a friend is in distress, please contact [umatter@ufl.edu](mailto:umatter@ufl.edu) or 352-392-1575 so that a team member can reach out to the student.

- Counseling and Wellness Center <http://www.counseling.ufl.edu/cwc>, and 392-1575; and the University Police Department: 392-1111 or 9-1-1 for emergencies.
- *Sexual Assault Recovery Services (SARS)*: Student Health Care Center, 392-1161.
- University Police Department at 392-1111 (or 9-1-1 for emergencies), or <http://www.police.ufl.edu/>.

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## Class Schedule

The schedule is tentative and subject to change. We will cover four modules. Each module introduces you to the theory to model the economy and understand the inter-linkages between macro-variables under different time horizons. We will cover the classical theory, the growth theory and the business-cycle theory. Each exam will test on the material that was taught up until 1 week prior to the exam. The applications in the later half of the semester tend to build on the concepts in the first half of the semester though, so it is still important to at least review those concepts throughout the semester.

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### **Module 1 - Introduction**

- T, Jan 10: Syllabus and Introduction
- R, Jan 12: The Science of Macroeconomics (Chapter 1)
- T, Jan 17: The Data of Macroeconomics (Chapter 2)

### **Module 2 - Classical Theory: The Economy in the Long Run**

- R-T, Jan 19 - Jan 24: National Income (Chapter 3)
- **R, Jan 26: Assignment 1 Due**
- R, Jan 26: The Monetary System (Chapter 4)
- T-R, Jan 31 - Feb 2: Inflation (Chapter 5)
- T, Feb 7: Unemployment (Chapter 6)
- **R, Feb 9: Assignment 2 Due**

### **Module 3 - Growth Theory: The Economy in the Very Long Run**

- R-T, Feb 9 - Feb 14: Solow Model, Capital Accumulation (Chapter 8)
- R-T, Feb 16-Feb 21: Population Growth and Technological Progress (Chapter 9)
- **R, Feb 23: Assignment 3 Due**
- T, Feb 28: Midterm Exam Review
- **R, MARCH 2: MIDTERM EXAM**

### **Module 4 - Business Cycle Theory: The Economy in the Short Run**

- T-R, Mar 7 - Mar 9: Economic Fluctuations (Chapter 11)
- T-T, Mar 21 - Mar 28: Aggregate Demand I (Chapter 12)
- **T, Apr 4: Assignment 4 due**

- R-T, Mar 30 - Apr 4: Aggregate Demand II (Chapter 13)
  - R-R, Apr 6 - Apr 11: Aggregate Supply (Chapter 15)
  - **R-T, Apr 13 - Apr 18: Group Project Presentations**
  - **T, Apr 18: Assignment 5 due**
  - R, April 20: Exam Review
  - **T, APRIL 25: FINAL EXAM**
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