

ECO2101 Intermediate Macroeconomic Theory, Spring Semester 2018

Policy Sheet
(Subject to change)
Bartley Hall 3069

Class Time and Venue: Mon and Wed, 3-4:15pm and 4:30–5:45pm

Professor: Dr. Michael Curran

Email: michael.curran@villanova.edu

Phone: (610)-519-8867

Course Material: Blackboard – Macro-Econ Theory

Office Hours: Mon and Wed: 6-7pm or by appointment

Office Location: Room 2002, Bartley Hall

TA: Laney Laghetto

Email: llaggett@villanova.edu

Office Hours: 9:30-10:45pm (Tuesday)

Location: Bartley 2010

COURSE CREDITS: 3.00

Textbook: Mankiw, N. Gregory (2015) *Macroeconomics* 9th edition:

<http://www.facultybookshelf.org/course/7358>

Prerequisites: The official prerequisites for this course are introductory course in microeconomics and macroeconomics (ECO 1001 and 1002) and a basic calculus course (MAT 1310, 1320, 1330, 1400 or 1500). We will also rely on some basic algebra and graphical analysis.

Goals and Objectives: Liberal arts are subjects thought to be important in education at least as far back as the Classical Greek and Roman empires. Harking back to Ancient Greece, the social science of political economy or economics derives its name from “oikos” (house) and “nomos” (rule). As distinct to focusing on individual people or firms as in microeconomics, macroeconomics is an attempt to study economy wide phenomena such as GDP, inflation, unemployment, interest rates and exchange rates. This course is designed to develop your ability to think like a macroeconomist. Covering select topics in macroeconomics, we will build on the foundations developed in introductory macroeconomics (ECO 1002) and the tools and knowledge you acquire will provide a basis for more advanced courses as well as strengthening links to courses in finance, mathematics, statistics, computer science, economic geography, history and politics, for instance.

Satisfactory completion of this course will contribute to developing your skill in analysing and synthesizing basic economic models of long-run growth and short-run business cycles. You will be able to interpret and discuss models of the open economy and become more conversant on topics in macroeconomic theory and policy. This course consists of 75 minute classes held twice each week. Review sessions will be held for midterms and the final. Homework (problem set) questions are designed to facilitate your development as an economic scholar and to help with your preparation for examinations since homework exercises contain similar types of questions. Active engagement and independent learning are key to your success. Firstly, I want you to be able to wield the concepts (memorising, applying, critiquing); based on this, I want you to be able to answer questions (formulating, method and application, solving accurately); and finally, I want you to be able to answer subject to time constraints, which will be up to you to practice. As this course involves analytic, graphical and mathematical aspects, the best form of preparation is to work through problems throughout the term. Subject to time constraints, you may be provided with an introduction to computer software such as MATLAB, which can be helpful when conducting macroeconomic research in practice.

Assessment and Activities: There will be six homework assignments. You may work in teams on homework, but your submissions should not reflect any copying from other students or sources (no plagiarism). You must type your answers, mark your name and staple (not paper clip) multiple pages. Check the deadlines marked on homework. The first homework will be posted shortly before the Wednesday of Week 1 and due in two weeks. Your lowest homework grade will be dropped. The homework assignments are designed to help you assess your progress; they are also representative of the kind of questions you will be expected to answer in exams. Each of the five homework scores are worth 3%, bringing the total as worth 15% of the overall grade. You will work in groups on three 3 minute video projects worth 3% each. You will occasionally be asked to provide one minute recaps to the class on the previous lectures. There will be two midterm tests; one midterm test will be held in week 7 accounting for 25% of the overall grade and a second midterm test will be held in week 11 accounting for 25% of the overall grade. The 75 minute mid-terms in weeks 7 and 11 will consist of a number of homework-type problem solving questions. For the two and a half-hour final exam, you will be asked to answer a number of homework-type questions, possibly including sub-question(s) asking for short, essay style answers. For students attending 3-4:15pm lectures, your exam will be held on Thursday, May 10 from 8:30-11am; for students attending 4:30-5:45pm lectures, your exam will be held on Saturday, May 5 from 8-10:30am.

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| Grading: | Midterm 1 | (25%) |
| | Midterm 2 | (25%) |
| | Final | (25%) |
| | Homework assignments (best 5/6) | (15%) |
| | Group video projects (3) | (9%) |
| | Recap presentations (2) | (1%) |

Final letter grades will adhere to the following scale:

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| A | > 93 | C | 73 – 76 |
| A- | 90 – 93 | C- | 70 – 72 |
| B+ | 87 – 89 | D+ | 67 – 69 |
| B | 83 – 86 | D | 63 – 66 |
| B- | 80 – 82 | D- | 60 – 62 |
| C+ | 77 – 79 | F | < 60 |

I reserve the right to curve.

Exams: There will be two exams (non-comprehensive) during the class period and one final (comprehensive). All exams are held in the regular classroom. The dates are:

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| Midterm 1 | 02/28/2018 | (Wednesday) |
| Midterm 2 | 03/28/2018 | (Wednesday) |
| Final | 05/10/2018 / 05/05/2018 | (Thursday / Saturday – 3pm / 4:30pm students) |

Attendance: Class attendance is expected and there will be a sign-in sheet every class. Attendance can help you in marginal grade cases. **I expect you to be ready to start class on time.**

Absence for exams: In case you miss an exam, I can only accept excuses that fulfil University requirements. See the University Regulations pamphlet for details concerning excused absences. The excuse must be in writing, so in case of illness there needs to be verification from the doctor, etc. Please contact me as soon as possible so I can arrange an alternative assessment for you.

Class Website: I update the Blackboard page for this class regularly. I post links that are pertinent to our class discussions. All homework assignments and sample exams will be posted there.

Course Intern: Laney Laghetto (llaggett@villanova.edu) will be the course intern for this class. **She will hold regular office hours, outlined above.** I strongly encourage you to come see her and/or myself as soon as things are less than perfectly clear. Do not let yourself fall behind!

Syllabus:

1. **Scope of Macroeconomics:** science (chapter 1), data (chapter 2) – Week 1/2
2. **Classical / Long Run Theory:** national income (chapter 3), monetary system (chapter 4), inflation (chapter 5) – Weeks 2-3
3. **Business Cycle / Short Run Theory:** economic fluctuations (chapter 10), aggregate demand and the IS-LM model (chapters 11-12), **aggregate supply and the Phillips curve (chapter 14) [**time permitting] – Weeks 4-5
Midterm 1 (Week 7)
4. **Growth / Very Long Run Theory:** Solow model (chapter 8), exogenous and endogenous growth theory (chapter 9) – Weeks 5-6
5. **Open Economy:** international flows, exchange rates, saving and investment (chapter 6), Mundel-Fleming model and exchange rate regimes (chapter 13) – Weeks 9-10
Midterm 2 (Week 11)
6. **Topics in Macroeconomic Theory:** consumption theory (chapter 16), investment theory (chapter 17) – Weeks 12-13
7. **Topics in Macroeconomic Policy:** stabilization (chapter 18), government debt and budget deficits (chapter 19), financial system (chapter 20) – Weeks 13-14
Final (Week 17)

Accessibility Statements: Reasonable academic accommodations for qualified individuals with special needs will be made in line with Villanova's policy. As explained online, 'Students with learning disabilities, other neurologically based disorders, and those disabled by chronic illnesses requesting assistance with academic concerns and/or accommodations should contact the office. Students with concerns about specific learning difficulties and strategies are welcome.' You should register with the Learning Support Office, who are located at the Learning Commons in the second floor of the Falvey library and whose phone number is 610-519-5636. You should also contact me early in the semester and then follow-up to make any needed arrangements in advance of each assessment. The webpage for the LSS can be found at:

<http://www1.villanova.edu/villanova/learningsupport.html>

The Office of Disability Services are located on the second floor of the Connelly Center and can be reached on 610-519-4095 (Stephen McWilliams) / 610-519-3209 (Gregory Hannah). The ODS provides support to Villanova students with **physical disabilities**. Any student with diagnosed physical disabilities should contact the ODS at the start of the semester to coordinate appropriate academic accommodations. Then you and I can work out the details of any accommodations needed for this course. The webpage for the ODS can be found at:

<http://www1.villanova.edu/villanova/studentlife/disabilityservices.html>

Academic Integrity is taken very seriously by the University. The Code of Academic Integrity is interpreted by the University as follows: 'students who use someone else's work or ideas without saying so, or who otherwise perform dishonestly in a course are cheating. In effect they are lying. Such dishonesty, moreover, threatens the integrity not only of the individual student, but also of the University community as a whole.' (Code of Academic Integrity, VPAA revision 2005)

The Code of Academic Integrity, including details and penalties can be found at:

<http://www1.villanova.edu/villanova/vpaa/studentervices/policies/integrity/code.html>

Students are encouraged to visit the Academic Integrity Gateway, complete the interactive quiz and use the website as a resource: <http://library.villanova.edu/help/academicintegrity/>

Lecture Rules:

- No ringing cell phones, no texting, no inappropriate computer use
- Respect the diversity of interests, experience and background of your classmates

Contacting Me: I stop checking email around 10:00pm. Apart from weekends, I typically respond to emails within 24 hours. It may not always be necessary to see me in office hours, so feel free to send me an email if you have a problem related to the course. If you plan to see me in office hours, do drop in, but you might wish to send me an email the day before (Sunday/Monday) with some idea of the question(s) you may want to raise.

Office Hours: I encourage each of you to attend office hours periodically. This is optional, but I have found that students who regularly attend office hours tend to do better in assessments. Additionally, visiting in small groups may help you learn more by hearing responses to questions they may not have thought of raising themselves that your classmates ask. If there is a problem with mutually scheduling a session during my official office hours, I will try to accommodate alternative time slots. In order to afford equal access to all students given time constraints, I impose an informal cap of about fifteen minutes per student or group. Finally, please come prepared and focus on homework questions that you have attempted but with which you may be struggling.

Inclement Weather: You are not expected to take unnecessary risks to meet your learning obligations due to inclement weather. When classes have not been cancelled, please use your own judgement whether travelling to campus is hazardous. Please notify me when inclement weather precludes you from class attendance. I will keep you informed regarding making up missed class time and/or rescheduling of cancelled classes.

Resources:

- Course Material: <https://novanet.villanova.edu>
Student Resources for 8th Edition: http://bcs.worthpublishers.com/mankiw8/#t_796152