

# ECON 303 Section 1

## Intermediate Macroeconomics

Fall 2016

BEH 105

MW 5:30-6:45 pm

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### General Nature of the Course

This course considers the determination of income, output, employment, and the price level in a market economy. The roles of fiscal and monetary policies in promoting stability and growth are examined. **Prerequisite:** Admission to a business major/junior standing, ECON 103. 3 credits.

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### Course Objectives

The theory and facts of macroeconomics will be used and useful to you in your career as an economist. You should already be familiar with various principles of macroeconomics. You will now master and build on these principles, learn their roots in the literature of the discipline, explore the positions of contending schools of thought, examine recent evidence testing these positions, and understand the policy implications of these positions. We will regularly discuss macroeconomic fluctuations and policy debates as they occur during this semester leading up to the presidential election. Upon completion of the course, you should be able to use appropriate models—models of aggregate supply and aggregate demand and the Solow growth model—to explain macroeconomic fluctuations and growth and to understand the impacts of monetary and fiscal policies on financial markets and the real economy. Special attention will be paid to issues raised in the current presidential campaign.

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### Text and Supplementary Readings

- **Olivier Blanchard and David Johnson, *Macroeconomics*, 6<sup>th</sup> edition.** Prentice-Hall, 2013. Earlier editions can serve as well. Access the textbook's website at <http://www.pearsonhighered.com/blanchard/Supplements>
- **George Akerlof and Robert Shiller, *Animal Spirits*,** Princeton U. Press, 2009
- **Olivier Blanchard** (2016). The Phillips Curve: Back to the '60s? *AER*, May.
- *Economic Report of the President* [www.access.gpo.gov/eop/index.html](http://www.access.gpo.gov/eop/index.html)
  - *The Economist* <http://www.economist.com>

# Examinations and Grading

Your grade will be based on two 150-point classroom exams, a third-100 point classroom exam, a 100-point take-home exam, a 25 point take-home essay described below, and a 200-point comprehensive final examination. You will be able to re-do one question on each classroom exam at home; your score for that question will be the average of your classroom and take home scores.

Ground rules for the take-home exam and redo exam problems: *i.* you can refer to your text and your notes; *ii.* you can refer to your fellow-students; *iii.* you should write up your exam independently; *iv.* you are welcome to copy someone else's exam...in which case your score will be the score on the exam divided by the number of copies submitted by yourself and others.

*Attendance and class participation will affect your grade.*

Sep 28 Classroom Exam, Chapters 1 – 5	150 points
Oct 17 Take-home Exam, Chapters 6 – 7. Exam due Oct 24	100
Oct 19 Take-home Debate-Related Essay, Due Oct 31	25
Nov 7 Classroom Exam, Chapters 6 – 9	150
Nov 28 Classroom Exam, Chapters 10 – 13	100
Dec 14 Comprehensive Final Examination, 6:00 – 8:00 pm	<u>200</u>
<b>Maximum Total Points</b>	<b>725 points</b>

## Approximate Grade Distribution

<u>Average Score (out of 725 points)</u>	<u>Final Grade</u>
90 percent	Borderline A-
80 percent	Borderline B-
70 percent	Borderline C-
60 percent	Borderline D-

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## **Attendance and participation will affect your final grade.**

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### Debate-Related Essay

The Democratic and Republican Party presidential candidates have taken stands on a number of economic issues addressed in this course. These include

- Taxes
- Government expenditures—infrastructure spending and entitlements
- Balanced budget objectives
- Movement to a gold-backed currency
- The minimum wage

Follow discussion of these and other macroeconomic issues by the major party candidates and, as relevant, by the Libertarian and Green Party candidates as well, throughout the campaign but particularly at the October 19 debate at UNLV. Prepare an essay that focuses on **one** of these issues—or on a number of issues that are related. **Apply the tools introduced in this and other economics courses to analyze the logic and likely consequences of the candidates' proposals.** You can critically refer to commentary by “experts” as long as you cite sources.

## **Relevant University Policies**

**Academic Misconduct**—Academic integrity is a legitimate concern for every member of the campus community; all share in upholding the fundamental values of honesty, trust, respect, fairness, responsibility and professionalism. By choosing to join the UNLV community, students accept the expectations of the Student Academic Misconduct Policy and are encouraged when faced with choices to always take the ethical path. Students enrolling in UNLV assume the obligation to conduct themselves in a manner compatible with UNLV's function as an educational institution. An example of academic misconduct is plagiarism. Plagiarism is using the words or ideas of another, from the Internet or any source, without proper citation of the sources. See the *Student Academic Misconduct Policy* (approved December 9, 2005) located at: <https://www.unlv.edu/studentconduct/student-conduct>.

**Copyright**—The University requires all members of the University Community to familiarize themselves with and to follow copyright and fair use requirements. You are individually and solely responsible for violations of copyright and fair use laws. The university will neither protect nor defend you nor assume any responsibility for employee or student violations of fair use laws. Violations of copyright laws could subject you to federal and state civil penalties and criminal liability, as well as disciplinary action under University policies. Additional information can be found at: <http://www.unlv.edu/provost/copyright>.

**Disability Resource Center (DRC)**—The UNLV Disability Resource Center (SSC-A 143, <http://drc.unlv.edu/>, 702-895-0866) provides resources for students with disabilities. If you feel that you have a disability, please make an appointment with a Disabilities Specialist at the DRC to discuss what options may be available to you. If you are registered with the UNLV Disability Resource Center, bring your Academic Accommodation Plan from the DRC to the instructor during office hours so that you may work together to develop strategies for implementing the accommodations to meet both your needs and the requirements of the course. Any information you provide is private and will be treated as such. To maintain the confidentiality of your request, please do not approach the instructor in front of others to discuss your accommodation needs.

**Religious Holidays Policy**—Any student missing class quizzes, examinations, or any other class or lab work because of observance of religious holidays shall be given an opportunity during that semester to make up missed work. The make-up will apply to the religious holiday absence only. It shall be the responsibility of the student to notify the instructor within the first 14 calendar days of the course for fall and spring courses (excepting modular courses), or within the first 7 calendar days of the course for summer and modular courses, of his or her intention to participate in religious holidays which do not fall on state holidays or periods of class recess. For additional information, please visit: <http://catalog.unlv.edu/content.php?catoid=6&navoid=531>.

**Transparency in Learning and Teaching**—The University encourages application of the transparency method of constructing assignments for student success. Please see these two links for further information:  
<https://www.unlv.edu/provost/teachingandlearning>  
<https://www.unlv.edu/provost/transparency>

**Incomplete Grades**—The grade of I—Incomplete—can be granted when a student has satisfactorily completed three-fourths of course work for that semester/session but for reason(s) beyond the student's control, and acceptable to the instructor, cannot complete the last part of the course, and the instructor believes that the student can finish the course without repeating it. The incomplete work must be made up before the end of the following regular semester for undergraduate courses. Graduate students receiving "I" grades in 500-, 600-, or 700-level courses have up to one calendar year to complete the work, at the discretion of the instructor. If course requirements are not completed within the time indicated, a grade of F will be recorded and the GPA will be adjusted accordingly. Students who are fulfilling an Incomplete do not register for the course but make individual arrangements with the instructor who assigned the I grade.

**Tutoring and Coaching**—The Academic Success Center (ASC) provides tutoring, academic success coaching and other academic assistance for all UNLV undergraduate students. For information regarding tutoring subjects, tutoring times, and other ASC programs and services, visit <http://www.unlv.edu/asc> or call 702-895-3177. The ASC building is located across from the Student Services Complex (SSC). Academic success coaching is located on the second floor of the SSC (ASC Coaching Spot). Drop-in tutoring is located on the second floor of the Lied Library and College of Engineering TEB second floor.

**UNLV Writing Center**—One-on-one or small group assistance with writing is available free of charge to UNLV students at the Writing Center, located in CDC-3-301. Although walk-in consultations are sometimes available, students with appointments will receive priority assistance. Appointments may be made in person or by calling 702-895-3908. The student's Rebel ID Card, a copy of the assignment (if possible), and two copies of any writing to be reviewed are requested for the consultation. More information can be found at: <http://writingcenter.unlv.edu/>.

**Rebelmail**—By policy, faculty and staff should e-mail students' Rebelmail accounts only. Rebelmail is UNLV's official e-mail system for students. It is one of the primary ways students receive official university communication such as information about deadlines, major campus events, and announcements. All UNLV students receive a Rebelmail account after they have been admitted to the university. Students' e-mail prefixes are listed on class rosters. The suffix is always [@unlv.nevada.edu](mailto:@unlv.nevada.edu). Emailing within WebCampus is acceptable.

**Final Examinations**—The University requires that final exams given at the end of a course occur at the time and on the day specified in the final exam schedule. See the schedule at: <http://www.unlv.edu/registrar/calendars>.

## Draft Course Outline Based on 6<sup>th</sup> edition of text

Dates	<b>Topic, Discussion Problems (End of Chapter)</b> Do each “discussion problem” shown in parenthesis (Chapter – Problem Number(s)) before class. Treat it like homework. While it will not be collected, you will be expected to participate in its discussion.	<b>Reading In Texts</b>
Aug 29,31	Course Organization Tour of the World: What’s Up? What’s Not? (1 – 1,6) Tour of the Book: Macro-Talk (2 – 4,5,6,9) Principles of Macro Redux	Chapter 1 Chapter 2 <b>Review your Principles text</b>
<b>Sep 5</b>	<b>Labor Day Recess</b>	
Sep 7,12	<b><u>The Core: Short-run</u></b> The Goods Market: $Z = C + I + G + X - Q$ (3 – 2,3,5,6) Problems: Chapters 1,2,3	Chapter 3
Sep 14,19	Financial Markets: $M^d, M^s, i$ (4 – 2,6) Problems: Chapter 4	Chapter 4
Sep 21,26	Goods and Financial Markets: $IS - LM$ • Policy Exercises and Dynamics (5 – 4) Problems Chapter 5	Chapter 5
<b>Sep 28</b>	<b>Classroom Examination, Chapters 1 – 5 (150 pts)</b>	
Oct 3,5	<b><u>The Core: Medium-run</u></b> The Labor Market: Wages, Prices, and the “Natural Rate” (6 – 3) Problem: Chapter 6	Chapter 6
Oct 10,12	Putting It Together: AS – AD and Policy (7 – 3, 5,6) Problems: Chapter 7	Chapter 7
<b>Oct 17</b>	<b>Take Home Examination, Chapters 6,7 (100 pts)</b> <b>Exam due October 24.</b>	
<b>Oct 19</b>	<b>Take Home Debate-Related Essay (25 points)</b> <b>Essay Due October 31</b>	
Oct 24,26	The Phillips Curve: Incarnations and Elaborations Also: Blanchard, The Phillips Curve: Back to the ‘60s? (8 – 3, 5) Problems: Chapter 8	Chapter 8
Oct 31,Nov 2	The Crisis Expansion, Fragility, Collapse, Bailout, Liquidity Trap Problems: Chapter 9	Chapter 9 (Ch 28 in 5th ed. update)
<b>Nov 7</b>	<b>Classroom Examination, Chapters 6 – 9 (150 pts)</b>	

## Course Outline (continued)

Dates	Topic, Discussion Problems (End of Chapter)	Reading In Text
Nov 9	<b><u>The Core: Long-run</u></b> The Facts of Growth	Chapter 10
Nov 14,16	Saving, Accumulation, and Output (11 – 5,8)	Chapter 11
Nov 21	Technological Progress and Growth (12 – 7) Progress, Wages, and Unemployment (13 –2)	Chapter 12 pp.248-254 Chapter 13 pp.271-276
Nov 23	Problems, Chapters 11-13	
<b>Nov 28</b>	<b>Classroom Examination, Chapters10 – 13 (100 pts)</b>	
Nov 30	The Story of Macroeconomics	Chapter 25 (Ch 27 in 5ed Update)
Dec 5,7	Catch-up and Review	
<b>Dec 14</b>	<b>Final Examination 6:00 = 8:00 pm (200 pts)</b>	