

DEPARTMENT OF ECONOMICS
ECON 312 INTERMEDIATE MACROECONOMICS
WEC 2007

Instructor: Fantu Bachewe
Office 321 Memorial Hall
Office Hours: F: 4:15 - 6:00
and by appointment

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REQUIRED TEXT: Macroeconomics, 4th edition, by Olivier Blanchard, Prentice Hall, NJ, 2006.

In addition, I may assign selected outside readings to supplement the text. Information from these materials may be included in your homework and/or exams.

COURSE OBJECTIVES:

The overall objective of this course is to provide you with the essential foundation of macroeconomic theory necessary for advanced study in economics. In addition, it will enable you to better understand the forces that influence and direct macroeconomic policy in our economy. This will require us to study various models that provide a framework for analyzing current macroeconomic issues like unemployment, inflation and growth. In particular, students will be able to:

- a) understand the nature of unemployment and inflation and distinguish between the short, medium, and long run from an economic perspective;
- b) evaluate the short-run determinants of national income and employment within the fixed price IS/LM model and policy implications;
- c) integrate international trade and finance into the short run IS/LM model and explain the fiscal and monetary policy implications; and
- d) extend the IS/LM model to incorporate price level changes and explore the implications of expectations on monetary and fiscal policy;
- e) analyze the effect of changes in the money supply and international trade on inflation and exchange rates in the long run;

f) explain the causes of economic growth, including the roles of technology and population growth.

EXAMS:

There will be three exams (100 points each) and each will contribute an equal share toward your final grade. Generally, their format includes some multiple choice, problems and short essay questions. No comprehensive final exam will be given. Instead, the last exam will cover only the material since the previous exam. Generally, no make-up exams will be permitted unless special circumstances necessitate your absence. I expect that you will contact me before the scheduled exam day to reschedule.

HOMEWORK:

Four 25-point homework assignments will be assigned throughout the semester based on material covered in the text, readings, and class. Your homework score overall will count the same as one exam in determining your final grade.

WRITING PROJECTS:

This course will attempt to fulfill one of the writing skills requirements necessary for graduation. Thus, every student will prepare one short paper (minimum 5 pages) and one long paper (minimum 10 pages, not including bibliography and table of contents, etc.) during the semester. All papers must be typed, double-spaced, and include proper citations and documentation when appropriate. The short paper should include two academic sources in the bibliography and the long paper should have at least three academic sources.

SHORT PAPER NUMBER ONE

TOPIC: TBD

Due Date: TBD

Each student will research, analyze, and evaluate issues relevant to the question to be determined. Although non-economic concerns (legal, political, etc.) may apply to the issue, the paper must also include an economic perspective. In preparing the short paper, assume you are an analyst on the staff of the Council of Economic Advisors and your job is to provide your recommendation on the issue. Assume that your objective is to improve society's welfare.

LONG PAPER

Each student will select, analyze, and write a report on a topic of interest related to the field of macroeconomics. The report will contain an in-depth analysis of published work from such sources as, but not limited to, academic journals and government publications. It will be due on the last day of the semester (Dec 14).

GRADING SCALE FOR HOMEWORK AND EXAMS:

90% and above	4
80% and above	3
70% and above	2
50% and above	1

Together, the homework and three exams will account for 80% of your final grade in the course. The homework and exam grade component may differ from the percentages presented above based on class performance. That is, the borderline percentages for these grades for each level may fall slightly below those listed above. For example, it is possible that 89% may be graded as a 4 at the end of the semester, but there is no guarantee. However, I do guarantee that if you receive 90% overall, you will receive a 4, and so on.

PAPER GRADING

The short paper will account for 7 % of your final semester grade and the long paper will account for 13%. Your papers will be evaluated based on the quality of the content, organization, grammar, and spelling. In order to receive a 2.0 for the course, you must receive a 2.0 on the writing component. This is a standard requirement for all general education skill courses.

PLAGIARISM AND ACADEMIC HONESTY:

Augsburg College has adopted a policy regarding plagiarism and other forms of academic dishonesty. Please be sure to consult your student guide to ensure you understand it. You are expected to abide by this code in my class. Any student guilty of violating these standards will receive a zero for that assignment.

CLASS OFFICE:

Students with disabilities who believe that they need accommodations in this class are encouraged to contact the Center for Learning and Adaptive Student Services (CLASS) at 330-1648 as soon as possible to better ensure that such accommodations are implemented in a timely fashion.

TENTATIVE COURSE OUTLINE:

Date	Topics	Chapters
Sept 7	Measuring Economy, the Goods Market Visit Library	2, 3
Sept 21	IS/LM model, Financial Markets	4, 5
Oct. 5	Goods market in Open Economy	18-19
Exam #1 over ch. 3-5		
Oct. 19	Output, Interest Rates, Exchange Rates The Labor Market	20 6
Nov. 2	AS/AD Model	7
Exam #2 over ch. 18-20, 6		
Nov. 16	Phillips Curve Inflation and Monetary Growth	8 9
Nov. 30	Saving, Capital Accumulation, Growth Draft of Long Paper due the 30th	10-11
Dec. 7	Final Exam over ch. 7-11 Comments back on Long Paper	
	Long Paper due Dec 14th	