

ECONOMICS 3307: INTERMEDIATE MACROECONOMIC ANALYSIS

SPRING 2008, MWF 11:00-11:50, HCB 408

INSTRUCTOR: David VanHoose OFFICE HOURS:
 OFFICE: 339 Hankamer MWF 8:15-9:45 & MW 1:00-1:45;
 OFFICE PHONE: 710-6206 or by appointment, or when
 E-MAIL: David.VanHoose@baylor.edu I am in and have time.

TEXTS: Roger Miller and David VanHoose, *Macroeconomics: Theories, Policies, and International Applications*, 3rd Edition, 2004

Roger Miller and David VanHoose, *Macroeconomics: Money, Banking and Financial Markets*, 3rd Edition, 2007 (Thomson Custom Publishing; M&B in schedule)

COURSE DESCRIPTION: Three hours. Theories of long-term growth and short-term fluctuations in national economies, with emphasis on the macroeconomic implications of government policy. Topics include national income accounting, long-run economic growth, unemployment, inflation, interest rates, exchange rates, international trade and investment, alternative theories of the business cycle, monetary policy, and fiscal policy. Prerequisite(s): Economics 2306 and 2307, or Economics 1305.

I. COURSE OVERVIEW AND OBJECTIVES:

This is an intermediate level course in macroeconomics. By the end of the course, you will understand the theories of the determination of aggregate income, the economy-wide price level, and interest rates; the theory of money, banking, and monetary policy; the theory of fiscal policy; and international macroeconomics. Success in the course requires time, effort, and study.

II. GRADES AND GRADING POLICIES

A. Examinations

1. Administered in a short answer-essay format.
2. "Make-up" policy:
 - a. Midterm exams:
 - 1) There are NO "make-up" midterm exams. **NO EXCEPTIONS**
 - 2) There are NO "early" midterm exams. **NO EXCEPTIONS**
 - 3) If one midterm examination is missed, the score on this examination is automatically dropped from the student's grade calculation. The weight of any additional missed midterm exam is *automatically* placed on the final exam. Thus, if a second midterm examination is missed, the final exam is worth 250 points. If all three midterm examinations are missed, the final exam counts 350 points. **NO EXCEPTIONS**
 - b. Quizzes: There are no makeup quizzes. **NO EXCEPTIONS**
3. Every student must take the final exam. There are NO "early" final exams. "Make-up" finals are given only if the student provides acceptable written documentation of circumstances that prevented the student's presence at the scheduled time. **NO EXCEPTIONS**

4. The final exam date and time appears in the schedule of classes and this syllabus, so it is your responsibility to know it. If you miss the final exam simply because you did not know the date and time of the exam, you will earn a score of zero for the exam.

B. Quizzes

- At least four quizzes will be given on dates to be announced in class.
- Each quiz will count 50 points; the best three scores will be counted in your final point total.

D. Grading

- Each student's final grade is based on his/her total points earned on exams and quizzes, distributed as follows:

Midterm Exam #1	(February 1, in class)	100 Points
Midterm Exam #2	(February 29, in class)	100 Points
Midterm Exam #3	(April 11, in class)	100 Points
Best Two Midterm Exam Scores		200 Points
Quizzes (Dates to be announced; best three scores)		150 Points
Final Examination (May 12, 2:00-4:00 P.M.)		150 Points
Course Total		500 Points

- Determination of a final course grade is based on the following scale. I do not plan to deviate from this scale.

440 - 500 (88 - 100%)	A	300 - 359 (60 - 71.99%)	C
420 - 439 (84 - 87.99%)	B+	250 - 299 (50 - 59.99%)	D
380 - 419 (76 - 83.99%)	B	0 - 249 (0 - 49.99%)	F
360 - 379 (72 - 75.99%)	C+		

- Attendance: I take attendance and follow Baylor attendance policies. This means that if you are absent from more than 12 class meetings, you will fail this course. Sometimes students seem to regard this limit as a target. Pursuing this strategy typically results in a low grade in the course.
 - It is every student's obligation to be in class. Class meeting time is the single best opportunity for me to teach you the course material *and* to communicate to you important facts about exams, class assignments, etc. A seating chart will be constructed within one or two class meetings. You will have the opportunity to help determine which seat you are assigned, and you will be required to sit in that seat for the entire semester. (See me, however, if a problem develops.)

- "Bonus points" will be awarded using the following scale:

<u>Absences</u>	<u>Points Added to Your Total</u>
0 - 1	20
2	7
3 or More	0

Note that these are truly BONUS points: If you fail to earn these bonus points, the point total that you earn based upon your exam performances

and quiz performances is unaffected. Therefore, for purposes of bonus point tabulation, there are NO excused absences from class. NO EXCEPTIONS, for any reason. Attendance will be taken after class starting time of 11:00. I will take role by marking absences on an overhead projector transparency in full view of all students near the beginning of class. If you arrive late to class, it is your responsibility to see me immediately after that class meeting to correct my attendance listing. This will be your *final chance* to make certain you were not mistakenly counted as absent. After that opportunity, you will have no other way to appeal an absence you feel was incorrectly listed.

- c. Special note to students who plan to miss a large number of classes: It is Baylor's policy that both officially approved and unapproved absences count toward the 25 percent attendance limit for passing this course. Thus, if participation in a university-sponsored organization causes you miss several classes, those are absences that count toward Baylor's 25 percent limit.
4. Policy on Discussing Scores and Grades: I do not discuss scores or grades via e-mail or over the telephone.
5. "Incomplete" Policy:
 - a. A student who misses the final exam will be awarded a temporary grade of incomplete only if a letter is received from a health care provider (or other source I deem acceptable) attesting to an illness or personal or family emergency. In the absence of such proof, the student will be awarded a grade based on his/her point total leading up to the final exam, including the zero earned on the final exam.
 - b. A student who misses the final exam and has an excused absence must take a make-up final exam as soon as possible after the conclusion of the semester and no later than the deadline specified by University policy.
5. Note to students who "need" a particular minimum grade in this course to meet graduation requirements: It is your responsibility to earn the grade that you wish to obtain to meet graduation requirements.
6. General Note: Although my intention is to follow all policies laid out in this syllabus, I reserve the right to make changes in response to unanticipated events.

IV. COURSE OUTLINE (Dates subject to some alterations.)

<u>Date</u>	<u>Assignment</u>	<u>Topic</u>
January 14	Attend class; then read Chapters 1-2	Introduction and overview
January 16	Chapter 2	Macroeconomic basics
January 18-23	Chapter 3	Classical model of output and employment

<u>Date</u>	<u>Assignment</u>	<u>Topic</u>
January 21	No class	University holiday
January 23	Chapter 3 (Cont'd)	Classical model of output and employment
January 25-28	Chapter 4	Classical views on money, aggregate demand, and interest rate determination
January 30	Chapter 5	Economic growth and business cycles
February 1	Midterm Exam #1	Chapters 1-4
February 4-6	Chapter 6 (Continued)	Keynesian theory of nominal income determination
February 8	Chapter 6 (Continued)	Equilibrium, disequilibrium, and fiscal policies
February 11-13	Chapter 7	Government spending and income taxes
February 15	Chapter 8	Money in the Keynesian system
February 18	Chapter 8 (Cont'd)	The money market and the LM schedule
February 20	Chapter 8 (Cont'd)	The IS schedule and IS-LM equilibrium
February 22	Chapter 8 (Cont'd)	Disequilibrium in IS-LM
February 25	Chapter 8 (Cont'd)	Monetary and fiscal policy in IS-LM
February 27	Chapter 10	Flexible prices, IS-LM, and aggregate demand
February 29	Midterm Exam #2	Chapters 6-10 (in part)
March 3-5	Chapter 10	The Keynesian theory of prices and real output
March 7	Chapter 10	The Phillips curve and monetarism
March 10-14	No class	Spring break
March 17	Chapter 10	The Phillips curve and monetarism (Continued)
March 19	Chapter 11	Rational expectations, new classical theory
March 21-24	No class	University holiday
March 26	Chapters 12-13	Keynesian contract models and new directions in macroeconomics
March 28	M&B Ch. 1	Money and monetary aggregates

<u>Date</u>	<u>Assignment</u>	<u>Topic</u>
March 31	M&B Ch. 14	The Fed and central banking
April 2	M&B Ch. 9	Depository institutions
April 4	M&B Ch. 11	Bank regulation
April 7-9	M&B Ch. 13	The money supply process
April 11	Midterm Exam #3	Chapters 10-13, M&B Chs. 1, 14, 9, 11, 13
April 14	M&B Ch. 4	Interest rates
April 16-18	M&B Ch. 19; Chapter 14	Monetary policy via interest rates
April 21-23	Chapter 14	The theory of fiscal policy
April 25-28	Chapter 15	Time lags and policy
April 30-May 2	Chapter 15 (Continued)	Rules vs. discretion in macro policy
May 5	The course	Q&A
May 12	Final Exam, 2:00-4:00 PM	The course