Syllabus

ECONOMICS 012-3: INTERMEDIATE MACROECONOMIC THEORY

Spring Term 2005.


Professor Yannis M. Ioannides

Department of Economics, Braker 117; 627 3294; yannis.ioannides @ tufts.edu

Office hours: Mondays, 2:30–4:30pm; Tuesdays and Thursdays, 2:45–3:45pm, when I will be coming out of another class. Other times by appointment. You are welcome to contact me by email about setting up an appointment to see me. I cannot overemphasize it that you should not hesitate to see me:

I am working for You!

A web page will be available for the course: http://blackboard.tufts.edu. My administration of the class goes principally via the web page. Class materials and announcements will regularly be made through the web page. Students who are already registered in the class will be able to log in in the usual way. Please check to see whether your email address is correct. I will add new students after they have been admitted to the class. Let me know at once if you cannot get log in.

ADMINISTRATIVE ASPECTS

There will be a quiz (prior to the drop date, February 17), two midterms and a final, scheduled as follows.

- The final exam will take place at the time scheduled by the Registrar, Thursday, May 12, 12:00–2:00pm. It will count for 40% of the grade.
• A quiz will take place on Tuesday, February 15; it will count for 10% of the grade.

• Midterm # 1 will take place Thursday, March 10. It will count for 20% of the grade.

• Midterm # 2 will take place Tuesday, April 12. It will count for 20% of the grade.

Please note the following dates: Thursday, February 24, Presidents’ birthday observance, no class; Thursday, April 28, last class; March 22, 24: spring break, no classes.

Homework will be assigned periodically and will be graded. The final exam will be cumulative. All deadlines for homework and exam dates will be observed strictly. Homework assignments are due at the end of the class on the assigned date. Late homework will not be graded.

There will be at least five homework assignments during the term and they will count for the remainder 10% of the grade. One of the homework assignments will not be counted towards the grade.

Last but not least, it is important for me to get to know as many of you as possible and as quickly as possible. In order to accomplish that, I will designate a number of dates and announce them ahead of time when I will meet groups of you for lunch at the Campus Center. Informal gatherings of this type will help me understand how things go in the course and will help you give me regular feedback.

TEXT

The course will be based on


which is the edition of a modern intermediate text, written by one of the clearest expositors of modern macroeconomics who is a professor at MIT and a leading figure in modern macroeconomics. It has been ordered as required material for the course.
A variety of “shrink-wrapped” packages involving the Study Guide and Tutorial, by David Findlay, and an Active Graphs CD-ROM, are available for the Blanchard text, and has been ordered as optional recommended material for the course. You will have to plan your own use of the CD-ROM; there will be no assignments directly from it. Please note that the publisher maintains a web site for the textbook, accessible at: www.prenhall.com/blanchard. Please read p. xx about it, and try it! We will make increasing use of it as we move on in the term.

This is a nuts-and-bolts class that is very rewarding. The students will go away with an increased ability to understand macroeconomic phenomena, as commonly discussed in the financial and popular press, including the New York Times, the Financial Times, the Wall Street Journal, and the Economist (a weekly magazine that is read by all economist), and to reason on matters of macroeconomic policy. All of these publications are available at Tisch and on line. The approach of the course will follow an eclectic Keynesian view that is grounded on actual facts and is very much in the mainstream of modern macroeconomics.

OUTLINE AND READING LIST

My objective is to cover a set of fundamental topics in this class, which emphasize depth and treat it as being more important than breadth, at the intermediate level. As the topics that I plan to cover build closely on one another, we may not be able to cover all of them, and towards the end of the term I may give out a revised, shorter list.

The course would be even more useful if you were to follow macroeconomic and financial news and developments. Naturally, I hope that you will bring questions about them to class, which will help enrich your understanding of institutions and policies. You will also benefit by exploring on your own the textbook’s own web page, which is set up by Prentice-Hall, the text’s publisher: http://www.prenhall.com/blanchard.

1. Fundamental concepts, variables, and measures of macroeconomics:
Chapter 2.
Please read Chapter 1 on your own. It should be a straightforward review of Principles of Macroeconomics, which serves as prerequisite for this course.


5. The labor market, wage and price determination: Chapter 6.


7. Expectations: Nuts and Bolts. Chapter 14


12. Output, the Interest Rate, and the Exchange Rate. Chapter 20.
