1. General Description

This course is designed to introduce students to macroeconomic facts, theory and policy. It covers the determinants of economic growth, business cycles, inflation and unemployment along with a discussion of the international economy. By the end of the course, you should be able to:

- understand how the availability of capital and labor affect a country’s standard of living.
- understand how technological progress results in economic growth and higher living standards.
- understand the relationship between the domestic economy and the international economic environment, as reflected in the behavior of the balance of payments.
- understand how fiscal and monetary policies affect unemployment and inflation in the short run.

In general, you will learn how to use rigorous, mathematical models to evaluate issues underlying important contemporary policy debates in United States and elsewhere.

2. Course Organization

Class Time: Monday, Tuesday and Thursday, 11:00 am-1:20 pm
Class Location: TBD

(1) Prerequisites
Two semesters of introductory economics (Economics 2a and 8b) are prerequisites for this course. It is assumed that students know univariate calculus. Although not required, it is expected that most students have taken (or will take) the companion course in microeconomics (Economics 80a).

(2) Textbook
REQUIRED: Macroeconomics by Andrew Abel, Ben Bernanke, and Dean Croushore, Addison-Wesley, 7th edition, 2011.

The readings from Abel, Bernanke, and Croushore form the core material for the course. MyEconLab will not be explicitly used in the course, though some students find it helpful.
in strengthening their command of the material. You are highly recommended to read the required materials BEFORE class. Doing so will make the lectures more profitable. Additional readings from the popular press may be distributed and discussed throughout the course. You are also encouraged to bolster your understanding of both current economic events and economic analysis by reading periodicals such as *The Economist*, *The Wall Street Journal*, and *The Financial Times*.

(3) Grading

- **Class Participation and Problem Sets (20%)**: Attendance at lectures is required. There will be 2 problem sets. While you are permitted and indeed encouraged to discuss with other students in the class, you must write your answers independently. Handwritten solutions should be legible and neat. Assignments will be due in class. NO late assignments will be accepted.
- **Mid-term Exam (30%)**: The mid-term exam will be based on materials from the first half of the course. It will be a two-hour exam.
- **Final Exam (50%)**: The three-hour final exam will be cumulative with a heavier leaning on the second half of the course. Please note that absence from the final exam and the right to take a make-up exam are only permissible for documented medical reasons. A student who is unable to take the final exam because of illness MUST obtain advance authorization from the Summer School office by providing appropriate documentation. There are NO EXCEPTIONS to these rules.

(4) Course Website

Course announcements, assignments and handouts will be posted on the LATTE system (http://latte.brandeis.edu).

(5) Special Accommodations

If you are student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.

(6) Academic Integrity

You are expected to be familiar with and to follow the University’s policies on academic integrity (see http://www.brandeis.edu/studentlife/sdc/ai). Instances of alleged dishonesty will be forwarded to the Department of Student Rights and Community Standards for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University.

(7) Cell Phone and Laptop Policy

The use of cell phones in class is NOT allowed. Please turn your cell phone off or put it on silent/vibrate during lectures. Laptops may not be used without the instructor’s permission.

3. Tentative Course Outline
Week 1

Monday (7/6)
Lecture: Get organized; explain the course; provide an overview of macroeconomics
Readings: ABC Chapter 1

Tuesday (7/7)
Lecture: A Look at the Data and Measuring the Macroeconomy
Readings: ABC Chapter 2

Thursday (7/9)
Lecture: Government Spending, Taxes, Deficits and Debt
Readings: ABC Chapter 15

Week 2

Monday (7/13)
Lecture: The Classical Model of Output Determination; The Labor Market
Readings: ABC Chapter 3
Assignments: Download Problem Set #1

Tuesday (7/14)
Lecture: The Goods Market: Consumption, Saving and Investment
Readings: ABC Chapter 4

Thursday (7/16)
Lecture: Open Economy Macro: Saving and Investment
Readings: ABC Chapter 5

Week 3

Monday (7/20)
Lecture: Economic Growth: Growth Accounting; The Solow Model
Readings: ABC Chapter 6
Assignments: Hand in Problem Set #1

Tuesday (7/21)
Mid-term Exam

Thursday (7/23)
Lecture: The Money Market
Readings: ABC Chapter 7
Week 4

Monday (7/27)
  Lecture: Business Cycle Facts
  Readings: ABC Chapter 8
  Assignments: Download Problem Set #2

Tuesday (7/28)
  Lecture: The IS-LM Model
  Readings: ABC Chapter 9

Thursday (7/30)
  Lecture: Theory of Business Cycles I: Classical Economics
  Readings: ABC Chapter 10

Week 5

Monday (8/3)
  Lecture: Theory of Business Cycles II: Keynesian Economics
  Readings: ABC Chapter 11
  Assignments: Hand in Problem Set #2.

Tuesday (8/4)
  Lecture: Monetary and Fiscal Policy
  Readings: ABC Chapter 14 & 15

Final Exam: Date and Location TBA