



# BRANDEIS UNIVERSITY

## Preliminary Course Syllabus

### Econ 82B -- Macroeconomic Theory Summer 2018 Session 1

#### Course Description

The course serves as an introduction to the concepts and measurements of economic aggregates, such as: national income, consumption, investment, and economy-wide variables such as interest rates, exchange rates, inflation, and the unemployment rate. We will model the determinates of these variables and study the effect of fiscal and monetary policies on these aggregates.

#### Learning Goals

In this course you are expected to learn the following:

- (a) How the availability of capital and labor affect a country's standard of living.
- (b) How technological progress results in economic growth and higher living standards.
- (c) The key determinates of unemployment and inflation in the long run.
- (d) How government policy affects unemployment and inflation in the short run.
- (e) How to analyze all these questions using rigorous, mathematical models.

#### Course Staff

Professor:

Mohammed Almehdar  
mmehdar@brandeis.edu

Teaching Assistants:

TBA

#### Prerequisites

Two semesters of introductory economics (Economics 2a and 8b or 10a and 20a) are required to take this course. Knowledge of calculus at the level of Math 10a is also required. Every student taking Econ 82b must have either: (a) completed Math 10a with a grade of C- or better, or (b) scored at least 4 on the AP Mathematics AB test or at least 3 on the AP Mathematics BC test, or (c) passed a placement exam which the economics department administers at the beginning of each semester. Please speak to me if you have questions about the prerequisites. While the course instructors can refresh memories on the prerequisite materials, we will not serve as a substitute for the prerequisites.

## Recommended Readings

Textbook: Mankiw, N. Gregory (2012) *Macroeconomics*, Worth Publishers, 9<sup>th</sup> ed

## Coursework and Grading

Coursework will consist of class attendance and participation, 10 problem sets, short quizzes in the recitations sections, a midterm exam and a final exam. The final grade is determined using the following weighting scheme: problem sets are 15%, class participation is 10%, the midterm exam is 35%, and the final exam is 40%.

Problem sets are due in lecture as indicated on the problem set. The lowest problem set grade will be dropped.

Five relatively easy, short quizzes will be given in the recitations sections. For each grade of five out of five a student receives on a short quiz, I will add a point to his or her final course grade.<sup>1</sup>

Success in this four-credit course is based on the expectation that students will spend a minimum of 9 hours of study time per week in preparation for class (readings, review of lecture notes, working our problem sets, preparation for exams, preparing the presentation, etc.)

## Course Policies

### Laptops and Cell Phones

Use of laptop computers or cell phones is not allowed in the classroom.

### Class Attendance and Participation

Students are expected to attend class and attendance will be recorded by having students sign an attendance sheet at the end of select classes. In addition, students are expected to come to class on time and be attentive during class. Excessive breaks from class and excessive in-class discussions with other students will result in students being marked absent.

### Absence from Exams

Check the date of the midterm exam. Notify me as soon as possible if you are unable to make the exam date. If there are any conflicts, I will give a makeup exam approximately one week after the midterm exam

I can allow students to take a makeup midterm exam if they have obtained an excused absence from me and except in the case of emergency or sudden illness all excused absences should be obtained in advance. An excused absence is granted at my discretion and will be granted only if you have a serious, unavoidable conflict that prevents you from taking the exam. In general, if you are able to be on campus the day of the exam you will be expected to take it..

Please note that the registrar's office handles all absences from the final exam.

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<sup>1</sup> Extra credit points are added after determining letter grade cutoffs.

### Late Problem Sets

Once solutions have been posted (usually immediately after class on the due date) problem sets will no longer be accepted and a grade of zero will be given for any missing assignment. I realize circumstances may prevent students from turning in an assignment. That is why I drop the lowest problem set grade. If illness or an emergency prevents a student from turning in an additional problem set on time I may at my discretion excuse a student with proper documentation. If excused, all other problem sets will be reweighted accordingly. If a student is unable to attend lecture on the day a problem set is due, it is his or her responsibility to make alternate arrangements to turn in the assignment.

### Collaboration and Academic Honesty

Students are expected to work with each other on the problem sets. However the final write up of answers you turn in are to be your own. Do not copy someone else's answer. You will gain nothing and will be in violation of Brandeis University rules.

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

### Special Accommodations

If you are a 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.

If you have a conflict with the midterm exam time it must be resolved immediately.

### Course Web Page

The course web page will be posted on the LATTE system. Course announcements, assignments, notes, and handouts will be posted on this page.

### Supplementary Readings

The course will cover the first 13 chapters of the Mankiw book. I recommend chapters 16-19 for students interested in advanced study in economics.

Staying astride of current economic news will make the course more informative and lively. Any mainstream media outlet will report on economic news. I find the *Economist* and the *Wall Street Journal* particularly emphasize economics.

Many economists write blogs that will provide a nice complement to the work in this course. Some of my favorites are: Tyler Cowen and Alex Tabarrok (<http://www.marginalrevolution.com/>) Brad DeLong (<http://delong.typepad.com/>), Paul Krugman (<http://krugman.blogs.nytimes.com/>), Greg Mankiw (<http://gregmankiw.blogspot.com/>), Dani Rodrik (<http://rodrik.typepad.com/>), and Mark Thoma (<http://economistsview.typepad.com/>). Students should pay particular attention to Greg's blog. He is the author of your textbook and occasionally uses the blog to answer questions from students.

## Course Outline

Lecture: Introduction and the Data of Macroeconomics

Readings: *Macroeconomics* Ch 1 and 2

Assignments: Problem Set 1 available.

Lecture: The Data of Macroeconomics and National Income

Readings: *Macroeconomics* Ch 2

Lecture: National Income continued

Readings: *Macroeconomics* Ch 3

Lecture: Economic Growth I: Capital Accumulation and Population  
Growth

Readings: *Macroeconomics* Ch 8

Assignments: Problem Set 1 Due. Problem Set 2 Available.

Lecture: Economic Growth I: Capital Accumulation and Population  
Growth Continued

Readings: *Macroeconomics* Ch 8

Lecture: Economic Growth: Technology, Empirics and Policy

Readings: *Macroeconomics* Ch 9

Assignments: Problem Set 2 Due. Problem Set 3 available.

Lecture: Economic Growth: Technology, Empirics and Policy

Readings: *Macroeconomics* Ch 9

Lecture: Money and Inflation

Readings: *Macroeconomics* Ch 4 & 5

Assignments: Problem Set 3 Due. Problem Set 4 available.

Lecture: Money and Inflation

Readings: *Macroeconomics* Ch 4 & 5

Lecture: The Open Economy

Readings: *Macroeconomics* Ch 6

Assignments: Problem Set 4 Due. Problem Set 5 available.

Lecture: Unemployment

Readings: *Macroeconomics* Ch 7

Lecture: Unemployment Continued

Readings: *Macroeconomics* Ch 7

Assignments: Problem Set 5 Due

Lecture: Introduction to Economic Fluctuations

Readings: *Macroeconomics* Ch 10

Assignments: Problem Set 6 available.

Lecture: Introduction to Economic Fluctuations Continued

Readings: *Macroeconomics* Ch 10

Lecture: Aggregate Demand I: Building the IS-LM Model

Readings: *Macroeconomics* Ch 11

Assignments: Problem Set 6 Due. Problem Set 7 available.

Lecture: Aggregate Demand I: Building the IS-LM Model Continued

Readings: *Macroeconomics* Ch 11

Lecture: Aggregate Demand II: Applying the IS-LM Model

Readings: *Macroeconomics* Ch 12

Assignment: Problem Set 7 Due. Problem Set 8 Available.

Lecture: Aggregate Demand II: Applying the IS-LM Model Continued

Readings: *Macroeconomics* Ch 12

Lecture: Aggregate Supply and the Short-run Tradeoff Between Inflation  
and Unemployment

Readings: *Macroeconomics* Ch 14

Assignments: Problem Set 8 Due. Problem Set 9 available.

Lecture: Aggregate Supply and the Short-run Tradeoff Between Inflation  
and Unemployment

Readings: *Macroeconomics* Ch 14

Lecture: The Open Economy Revisited: The Mundell-Fleming Model and  
the Exchange Rate-Regime

Readings: *Macroeconomics* Ch 13

Assignments: Problem Set 9 due. Problem Set 10 available.

Lecture: The Open Economy Revisited: The Mundell-Fleming Model and  
the Exchange Rate-Regime

Readings: *Macroeconomics* Ch 13