ECON 305
Intermediate Macroeconomics
Spring 2017
Syllabus

Part I: General Information and Requirements

Instructor Information:
Professor: Chris Loucks
Office: MBEB 3256
Phone: 426-1468
E-mail: cloucks@boisestate.edu
Office Hours: Tuesday and Thursday, noon-1 p.m., unless otherwise posted. If this time does not work for you please contact me to set up a mutually acceptable time. I am available by e-mail almost every day.

Course Description:
In intermediate macroeconomics, we discuss and build models to explain the operation of the economy in the long run (the Classical model), the long, long run (the Solow growth model and the model of endogenous growth theory) and the short run (the Keynesian model). In each of these models, we will be interested in the determination of national output, the level of employment/unemployment, the price level, and whether/how government policies such as stabilization policies, trade policies, and investment policies affect the macro economy.

Prerequisites: Admission to COBE or B.A. Economics major or B.A. Economics, Social Studies, Secondary Education Emphasis major or Economics, Social Science, Secondary Education Minor, ECON 201

Objectives:
The objectives of the course are to:
   a. To improve your understanding of macroeconomics
   b. To identify short-run and long-run issues in macroeconomics. Short-run topics include the business cycle, stabilization policy, employment, national output and inflation, and long-run topics include economic growth, the natural rate of unemployment, inflation, and the effects of savings and government debt.
   c. To integrate the concepts of Keynesian economic, Classical economic, and growth theories.
   d. To understand the various models of economic activity and to know when to apply each model.

Students with Disabilities: Students with disabilities needing accommodations to fully participate in this class should contact the Educational Access Center (EAC). All accommodations MUST be approved through the EAC prior to being implemented. Please call 208-426-1583 to make an appointment with a disability specialist. To learn more about the accommodation process, visit our website at http://itc.boisestate.edu/new-eae-students/http://boisestate.edu/new/drc/students
Required Resources:


2. Access to LaunchPad: Site of LearningCurve, Work It Out exercises, and Graded Homework

3. Access to Blackboard: Site of weekly assignments (Under “Assignments”), access to exams, and grades as well as announcements.

COBE Core Curriculum Concepts, Methods, and Skills:

| Students in this class will learn or practice the following COBE Core Curriculum concepts, methods, and skills: |
| 1. Understand and apply analytical and disciplinary concepts and methods related to business and economics: |
| ☑ 1.3. Economics |
| ☑ 1.6. International environment of business |
| ☑ 2.1. Communicate effectively: Write messages and documents that are clear, concise, and compelling |
| ☑ 3. Solve problems, including unstructured problems, related to business and economics |
| ☑ 4. Use effective teamwork and collaboration skills |
| ☑ 5. Demonstrate appropriate principles of responsible business practices. |

Part II: Grading, Classroom Policies, and Course Description

Grades:
The student's comprehension of the learning objectives will be evaluated through exams, writing assignments, graded homework (Launch Pad), LearningCurve, and a comprehensive final exam. There will be three exams, six writing assignments, and one comprehensive final exam given during finals week.

No late exams are given. However, you always have the opportunity to take an exam early as long as you schedule that exam with me at least one week prior to the regularly scheduled exam date.

Exam Information:
You will take three exams (schedule is below) during the semester and a comprehensive final exam. Exams are a combination of multiple choice and essay/problems. The multiple-choice part of the exam will be taken in the Boise State Testing Center in the Simplot Micron Academic
Success Hub, 2nd floor, Room E213. The essay/problem portion of the exam will be taken during regularly scheduled class time.

For the multiple-choice portion of the exam, you are allowed to take a page of hand-written notes (8” x 11”) to the Testing Center, and you are allowed to use a calculator and a piece of scratch paper provided by the Testing Center. However, once the exam is completed, the Testing Center will collect and recycle your page of notes and scratch paper. Therefore, if you want to use the same page of notes to take the essay/problem part of your exam, you need to make a copy of the page of notes before you go to the Testing Center. While we do not have a large class, there is likely to be high demand for seats in the Testing Center during the weeks your exams are scheduled. Therefore, I highly recommend you schedule a time to take your exams in the Testing Center. Registration for exams during finals period is available the 8th week of the semester. Register early to receive a favorable time slot. Remember to take photo ID with you to the Testing Center and please read the Testing Center rules and policies before you go to the Testing Center: (http://www.boisestate.edu/tools-and-facilities/on-line-testing-center/)

Each exam is worth 100 points and the comprehensive final exam is worth 150 points.

**Writing Assignments**: Explained in more detail below. For now, note that an opportunity exists to earn 100 points from completing this assignment.

**Launch Pad**: Launch Pad is a course management tool developed by MacMillan Publishers to aid learning for users of Mankiw’s *Macroeconomics* book. There are regularly scheduled assignments from Launch Pad including LearningCurve, Work It Out problems, and Graded Homework. LearningCurve is an exercise designed to help you read and discover the most important concepts in each chapter. Each chapter concludes with Graded Homework, a quiz to help you determine whether you understand the material covered in the chapter. You will receive 2 points for completing each LearningCurve. Each Graded Homework assignment is worth 10 points. At the end of the semester, I will count the top ten scores earned on Graded Homework towards your final grade. Successful completion of Work It Out problems does not explicitly count towards your final grade; however, it will help you learn the material in this course and will help you maximize the score you earn on Graded Homework.

As shown in the table below, there is a maximum of 678 points that can be earned from exams, writing assignments, and graded homework. Your grade in Intermediate Macroeconomics will be based upon the number of points you accumulate from those activities. A table with the grading scale is shown below.

<table>
<thead>
<tr>
<th>Source of Points</th>
<th>Maximum Points</th>
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<tbody>
<tr>
<td>3 Exams</td>
<td>300</td>
</tr>
<tr>
<td>Writing Assignments</td>
<td>100</td>
</tr>
<tr>
<td>LearningCurve</td>
<td>28</td>
</tr>
<tr>
<td>Graded Homework (Launch Pad)</td>
<td>100</td>
</tr>
<tr>
<td>Comprehensive Final Exam</td>
<td>150</td>
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<tr>
<td>Total Points</td>
<td>678</td>
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<tr>
<td>Points Earned</td>
<td>Grade</td>
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<td>---------------</td>
<td>-------</td>
</tr>
<tr>
<td>597-678</td>
<td>A</td>
</tr>
<tr>
<td>515-596</td>
<td>B</td>
</tr>
<tr>
<td>435-514</td>
<td>C</td>
</tr>
<tr>
<td>339-434</td>
<td>D</td>
</tr>
<tr>
<td>Below 339</td>
<td>F</td>
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</tbody>
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Exam Dates:

Thursday, February 9: Exam 1, problem/essay
Thursday, February 9 – Friday, February 10: Exam 1 (Multiple Choice)

Thursday, March 16: Exam 2, problem/essay
Thursday, March 16 – Friday, March 17: Exam 2 (Multiple Choice)

Thursday, April 20: Exam 3, problem/essay
Thursday, April 20 – Friday, April 21: Exam 3 (Multiple Choice)

Thursday, May 4: Comprehensive Take-Home Essay Final Exam is due by noon

Writing Assignments:

The writing assignments will occur throughout the semester as we complete a topic. You are required to hand in 6 acceptable writing assignments to earn an A from this assignment. The list of possible topics appears below. You may hand in only one writing assignment per topic.

1. Classical model: Closed economy
2. Classical model: Open economy
3. Classical model: Role of money
4. Economic Growth: Solow Growth Model
5. Economic Growth: Endogenous Growth Model
6. Aggregate Demand/Aggregate Supply: Change in AD, short and long run effects
7. Aggregate Demand/Aggregate Supply: Change in SAS, short and long run effects
8. Aggregate Demand/Aggregate Supply: Change in LAS
9. IS/LM Analysis: Change in either IS or LM, short run effects only
10. IS/LM analysis: Change in IS, short and long run effects: closed economy
11. IS/LM Analysis: Change in LM, short and long run effects: closed economy
12. AD/AS and IS/LM: Derivation of AD curve from IS/LM analysis
13. Mundell Fleming Model: Change in LM: comparison of results in open and closed economy
14. Mundell-Fleming Model: Change in IS: comparison of results in open and closed economy
15. Change in either IS or LM and the relationship between the change in IS or LM and AD/AS analysis
16. Effect of an increase in the price of oil using IS/LM and AD/AS analysis, short-run analysis
17. Change in AD or SAS with a positively sloped SAS
The mechanics of the assignment look like this: I want a typewritten analysis of a news article that will contain three sections:

- A **brief** (read brief as one short paragraph) summary of the article.
- At least one paragraph relating what you have read in the article to the model that we are covering/covered in class with the analysis listed above.
- An explanation concerning whether the model that you’re described in section two is the appropriate economic model to use to explain the contents of the article. When you write the third section of your writing assignment, I want you to address the time period the model covers (short run or long run or economic growth) and the time period covered in the article you are analyzing. If you are using a long run Classical model to analyze the contents of an article dealing with the short run, the model is not appropriate. To correctly analyze the contents of an article dealing with the short run, you need to use a short run Keynesian model.

The most important part of the writing assignment is the second section. Relating what you’ve read in the news article to the model that you’re learning/learned in class means that you take a sentence or statement from the article and analyze how that factor affects the macro economy using the model that has been developed in class. For example, the Monday, January 13, 2014 *Wall Street Journal* contains an article, “Path Clears for a Pickup in Business Investment”. The article contains reasons business firm investment is expected to increase in 2014. If you were using the closed economy Classical model, you would explain the effects of an increase in business investment in the long run in a closed economy. If you were using the open economy Classical model, you would explain the effects of an increase in business investment in the long run in an open economy. If you were using a short-run model, you could analyze the effects of an increase in investment spending using the IS/LM model (and according to number 9 above, you would consider the short and long run effects of an increase in investment).

I do not require the formal development of the model you are using. You may need to talk about some of the assumptions that underlie the model when you complete your analysis, but I do not need to see the development of the model. I want to see how you apply the model.

I want you to demonstrate your understanding of the models that we’re developing in class by applying those models to the articles that you choose to analyze. For each model developed in class except the endogenous growth theory model and the role of money in the Classical model, equilibrium and factors that cause changes to equilibrium can be analyzed verbally and graphically. Therefore, except for an analysis using the endogenous growth theory model or the Classical explanation of the role of money and monetary policy, you are required to include a verbal and graphical analysis in your writing assignment.

To make sure that you address each area, I require you to label the sections of your writing assignment with the following headings:

- **Summary of Article**
- **Application and Use of Model**
- ** Appropriateness of Model.**
At the top of your writing assignment, I want you to type:

- Your name
- The date
- The topic of your writing assignment (which will come from the list on page of potential writing topics on page 4.)

The writing assignments should be no longer than 1-2 pages. I want you to attach a copy of the article to your summary. You may hand in only one writing assignment per week. The article you choose to analyze must not be more than one week old.

It is up to you to hand in the assignment; I will not explicitly ask for it. I want you to take the responsibility to find the articles, write the summaries, and hand in the writing assignment.

I will grade all writing assignments handed in approximately every two weeks. Writing assignments will be graded as unacceptable, acceptable, or exceptional. Exceptional journal assignments will receive a mark of 10. Exceptional journal assignments are well written with no grammatical or spelling errors and contain a level of analysis above average. Acceptable writing assignments are assignments that cover the basics described above but do not stand out as exceptional. An acceptable writing assignment will receive a mark of 8. Unacceptable writing assignments are assignments that either cover an inappropriate topic or do not follow the format listed above or contain three or more spelling or grammatical errors, or fail to use a model. Unacceptable writing assignments will receive a grade of 0. However, you have the opportunity to rewrite any unacceptable writing assignment. Rewritten assignments may be handed in any week up to Friday, December 9, the last day of regularly scheduled classes.

When you re-write an unacceptable writing assignment, please attach the original graded writing assignment and indicate on the front page of your writing assignment that you are handing in a re-write. You may re-write an unacceptable writing assignment until it is acceptable. You may hand in re-written assignments any time. Handing in a re-write does not affect your ability to hand in a new writing assignment. The limit of one per week applies only to new writing assignments.

Acceptable writing assignments cannot be rewritten to earn an exceptional grade. You get one shot at exceptional—that occurs the first time you hand in a specific writing assignment.

Your writing assignment is worth 100 points. I will grade the assignment as follows: If you have turned in 6 acceptable journal assignments, and you have received at least 3 10’s, you will receive 100 points. Otherwise, 6 acceptable journal assignments will be worth 94 points. If you haven’t handed in 6 acceptable journal assignments, your score will be calculated as 100 multiplied by the percentage of journal assignments that you have completed. For example, if you have completed only 5 acceptable journal assignments, your score would be 100(5/6), which is equal to 83 points.

I’ve seen an increasing amount of plagiarism on writing assignments during the past few semesters. If you plagiarize on your writing assignments, I will give you one warning and a chance to rewrite the first writing assignment containing plagiarized material. If you choose to plagiarize a second time, that writing assignment will be counted as unacceptable and you will not be able to replace that grade. If you are unsure whether you are plagiarizing, please check the COBE Writing Guide. If you don’t find an answer to your plagiarism question, then come see me. Note that plagiarism includes copying of graphs as well as written material.
You may hand in writing assignments before or after class. If you hand in writing assignments outside of class time, please place your writing assignment in my mailbox in the Department of Economics (MBEB 3246).

I will not accept writing assignments handed in to Administrative Assistants in other departments or the Dean’s office. I will not accept writing assignments submitted electronically. The Department of Economics is open from 8 a.m.-5 p.m. Monday through Friday unless it’s a holiday. (Although, if you hand in an assignment on Friday, it is best if you hand the assignment in by 4:30 p.m.) You do not have an option of handing in assignments over the weekend. **Friday April 28, is the final day writing assignments will be accepted this semester.**

You will have approximately 12 weeks to complete this writing assignment. You may start handing in assignments as soon as we are completed enough of Chapter 3 that you understand the Classical Model. You may hand in writing assignment any week of the semester; however, I do not accept writing assignments over break. If you had in a writing assignment over break, that writing assignment will count as a new writing assignment the week after break.

**Academic Integrity:**
I will follow the rules set forth in the Student Code of Conduct of Boise State University. Refer to Boise State’s Student Code of Conduct for definitions of cheating, plagiarism, and other forms of academic dishonesty as well as policies and procedures for handling such cases. I strongly encourage you to familiarize yourself with this policy, as it is applicable to all of your classes and dealings with the University. Academic honesty is a core belief of the University. The Boise State University Student Code of Conduct and policies on Academic Dishonesty are located at the following websites. We encourage you to read these carefully. Students will be held to these standards in all areas of academic performance. [http://www.boisestate.edu/osrr/](http://www.boisestate.edu/osrr/) [http://www.boisestate.edu/policy/policy_docs/2020_studentcodeofconduct.pdf](http://www.boisestate.edu/policy/policy_docs/2020_studentcodeofconduct.pdf)

**Classroom Behavior:**
I expect you to come to class on time and to be ready to discuss the assigned material. The clock of record is the classroom clock. If you are habitually late, habitually leave early, or exhibit bad classroom behavior, I reserve the right to decrease your grade up to 10 percent. Our classroom is a scream-free, bubble blowing free, cell phone free, text (as in communicating with each other by text during class) free, web surfing free, respectful learning environment where the shared values listed below are practiced! On days students are responsible for presenting answers to homework questions, students who have not prepared the homework assignments may be asked to leave class during the discussion of answers to homework. Freeloading on the work of other students is not acceptable classroom behavior.

**Statement of Shared Values:** Boise State University upholds the following values as the foundation for a civil and nurturing environment. Campus community members and all who are part of COBE are expected to adhere to the following values.

- **Academic Excellence** – engage in our own learning and participate fully in the academic community’s pursuit of knowledge.
- **Caring** – show concern for the welfare of others.
**Citizenship** – uphold civic virtues and duties that prescribe how we ought to behave in a self-governing community by obeying laws and policies, volunteering in the community, and staying informed on issues.

**Fairness** – expect equality, impartiality, openness and due process by demonstrating a balanced standard of justice without reference to individual bias.

**Respect** – treat people with dignity regardless of who they are and what they believe. A respectful person is attentive, listens well, treats others with consideration and doesn’t resort to intimidation, coercion or violence to persuade.

**Responsibility** – take charge of our choices and actions by showing accountability and not shifting blame or taking improper credit. We will pursue excellence with diligence, perseverance, and continued improvement.

**Trustworthiness** – demonstrate honesty in our communication and conduct while managing ourselves with integrity and reliability.
Chapters That Will Be Covered This Semester
(I’ll let you know where we are on a daily basis, and by Sunday afternoon, I’ll post the week’s reading assignments on Blackboard. I reserve the right to make changes to this document. If I make changes, I will let you know through an announcement.)

Introduction

Chapter 1: The Science of Macroeconomic Economics
Chapter 2: The Data of Macroeconomic Economics

Income, Unemployment, and Inflation in the Long Run

Chapter 3: National Income: Where It Comes From and Where It Goes
Chapter 4: The Monetary System; What It Is and How It Works
Chapter 5: Inflation: Its Causes, Effects, and Social Costs
Chapter 6: The Open Economy
Chapter 7: Unemployment

Growth Theory: The Economy in the Very Long Run*
Chapter 6, Abel, Bernanke, and Croushore, Macroeconomics, 2011, Addison Wesley

Business Cycle Theory: The Economy in the Short Run

Chapter 10: Introduction to Economic Fluctuations
Chapter 11: Aggregate Demand I: Building the IS/LM Model
Chapter 12: Aggregate Demand II: Applying the IS/LM Model
Chapter 13: The Open Economy Revisited: the Mundell-Fleming Model and the Exchange Rate Regime
Chapter 14: Aggregate Supply and the Short-run Tradeoff Between Inflation and Unemployment

Macroeconomic Policy

Chapter 18: Alternative Perspectives on Stabilization Policy

Conclusions

Epilogue: What We Know, What We Don’t Know