

Economics 3133: Intermediate Macroeconomic Theory

Spring 2018

Instructor: Dr. Benjamin Keen

Class Times and Location:

Monday and Wednesday: 3:00-4:15pm, 237 Cate Center One, (Section 002)

Contact Information:

Office: 437 Cate Center One

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Office Hours:

Monday and Wednesday: 12:00pm-1:00pm

By appointment

Course Description: Intermediate Macroeconomic Theory: Analysis of the determinants of aggregate demand and supply with special emphasis given to determining output, inflation, interest rates, unemployment, and exchange rates.

Textbook: Robert E. Hall and David H. Papell, Macroeconomics, 6th Edition

Grading: Your final grade will be determined by three mid-term exams and a comprehensive final exam. Your grade will be calculated as follows:

Mid-Term Exams 60% total (20% each)

Final Exam 40% total

Letter grades will be assigned according to a percentage scale: 90-100% = A, 80-89% = B, 70-79% = C, 60-69% = D, and below 60% = F. To maintain equality of opportunity for all students in the class, no extra credit opportunities will be available to any student, regardless of circumstance. **No exceptions.**

Drop Policy: Students are allowed to drop this course regardless of their performance with a W until March 30. After March 30, the Dean's approval is **required** to drop the course. Students may **not** change to audit status at any time during the semester. Under no circumstances will an incomplete, medical withdrawal, administrative withdrawal, or any other withdrawal be given to a student who has completed all course requirements. The economics department reserves the right to drop students from economics courses for non-attendance during the first week of classes or failure to meet course prerequisites. Those students wishing to drop a course after enrollment still have the responsibility for that drop.

Exams: There will be three mid-term exams and a final exam. The mid-terms will be given during class and the final will be given at the University designated time. All **exams** will be **closed book** and **closed notes**. The instructor will provide a formula sheet for each mid-term exam and the final. Those formula sheets will be made available to students for their viewing prior to the exam. The actual copy of the formula sheet utilized by students during the exam will be provided by the instructor at the time of the exam.

Exam Make-Up Policy: A student's absence from a mid-term or final exam will only be considered excused if (1) there is a documented severe illness, death in the immediate family, provost-approved university sponsored activity, or a legally required activity; and (2) the student speaks **directly** to me (no e-mail or voice mail) no later than one class before a mid-term exam or no later than the last day of regularly scheduled classes, May 2, before the final exam unless an actual emergency prevents it. All other absences from any mid-term exam or the final exam will be automatically scored as a zero for that exam. A student excused from taking a mid-term exam will have that exam dropped and have the weight on their final increased by amount of the missed mid-term exam. **No makeup mid-term exams** will be given under any circumstances. In the event of an excused absence from the final, the student must contact me **directly** to make arrangements for a make-up final exam and shall be given a grade of incomplete until the make-up final exam is completed. University policy applies if a student has three or more finals on one day or two or more finals scheduled at the same time.

Exam Dates:

Midterm #1 – Wednesday, February 7.

Midterm #2 – Wednesday, March 7.

Midterm #3 – Wednesday, April 18.

Final – Thursday, May 10, 4:30pm-6:30pm.

Other Important Dates:

January 17 is the first day of class.

March 30 is last day to drop the course with a W without petitioning the College Dean.

May 2 is the last day of class.

May 4 is the last day to drop a course or withdraw from the University.

Class Attendance: You are expected to attend every class and are responsible for all material and announcements. The exams will be based largely on class discussions, so it is in your best interest to attend. As an added incentive, I will *periodically* take attendance and I reserve the right, solely at my discretion, to adjust upward or downward a student's numerical final grade by no more than two points based on these attendance figures. It is your responsibility to inform me in a timely manner of any extended absence that is necessary for medical or other reasons. Please arrive to class on time. Entering after a lecture has begun is distracting to your classmates and to me, and you should avoid it as a courtesy. If you arrive late, please enter the room quietly and sit near the door. In order to avoid unnecessary distractions, all cellphones are **required** to be turned **off** while in the classroom. This includes the time immediately before and after the class ends. Failure to abide by these rules will result in, minimally, a request to leave the class.

Class Notes: Copies of the overheads presented each day will be available before class in pdf format on the class web page. These notes are made available to enable students to focus on understanding the material presented in class instead of spending time copying the overheads. These notes, however, are **not** a substitute for attending class. Finally, it is the student's responsibility to obtain any corrections made to these notes in class.

Homework: Problems for each topic will be posted on the course web page. The homework will not be collected, but I strongly recommend that you prepare all assignments before the next class. For your convenience, the homework solutions are also available on the course web page.

Disclaimer: I reserve the right to make changes to the class schedule and exam dates. Any changes will be announced in class.

Academic Honesty: I expect that ECON 3133 students will be truthful with me and will not knowingly take any action that violates the University of Oklahoma honor code. Any student who violates the honor code shall receive a zero for that exam. Further actions may be taken in consultation with the dean of the student's college.

Notice: Any student who, because of a disabling condition, requires special arrangements in order to successfully complete the course **must** contact me as soon as possible to make the necessary accommodations.

Student Acceptance: By enrolling in this class, the student accepts and agrees to the terms and conditions outlined above.

Tentative Class Outline (subject to change):

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| Mon., Jan. 15 | Martin Luther King Day: No Class |
| Wed., Jan. 17 | Economic Growth, Fluctuations, and Policy |
| Mon., Jan. 22 | Measuring Economic Performance |
| Wed., Jan. 24 | Unemployment, Job Creation, and Job Destruction |
| Mon., Jan. 29 | Long-Run Economic Growth |
| Wed., Jan. 31 | Technology and Economic Growth |
| Mon., Feb. 5 | Fiscal and Monetary Policy in the Growth Model |
| Wed., Feb. 7 | Mid-Term Exam #1 |
| Mon., Feb. 12 | Discuss Mid-Term Exam #1 |
| Wed., Feb. 14 | Short-Run Fluctuations |
| Mon., Feb. 19 | Short-Run Fluctuations (cont.) |
| Wed., Feb. 21 | Financial Markets and Aggregate Demand |
| Mon., Feb. 26 | Financial Markets and Aggregate Demand (cont.) |
| Wed., Feb. 28 | The Adjustment Process |
| Mon., Mar. 5 | Responding to Economic Fluctuations |
| Wed., Mar. 7 | Mid-Term Exam #2 |
| Mon., Mar. 12 | Discuss Mid-Term Exam #2 |
| Wed., Mar. 14 | Consumption Demand |
| Mon., Mar. 19 | Spring Break: No Class |
| Wed., Mar. 21 | Spring Break: No Class |
| Mon., Mar. 26 | Investment Demand |
| Wed., Mar. 28 | Investment Demand (cont.) |
| Mon., Apr. 2 | Foreign Trade and the Exchange Rate |
| Wed., Apr. 4 | Spending, Taxes, and the Budget Deficit |
| Mon., Apr. 9 | The Monetary System and the Fed's Policy Rule |
| Wed., Apr. 11 | The Monetary System and the Fed's Policy Rule (cont.) |
| Mon., Apr. 16 | The Microeconomic Foundations of Price Rigidity |
| Wed., Apr. 18 | Mid-Term Exam #3 |
| Mon., Apr. 23 | Discuss Mid-Term Exam #3 |
| Wed., Apr. 25 | The Macroeconomic Policy Model |
| Mon., Apr. 30 | The New Normative Macroeconomics |
| Wed., May 2 | Macroeconomic Policy in the World Economy |
| Thur., May 10 4:30pm-6:30pm | Final Exam |