

ECN 207 B – Intermediate Macroeconomics
Spring 2018; 9:00 MWF
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Website: <http://users.wfu.edu/cottrell/ecn207/>
Office hours: TR 9–12, Tues 3–5, and by appointment.

Readings: I'm not requiring a textbook but I will keep you supplied with relevant readings as we proceed; some are noted below, others will be added.

Objective: The aim of this course is to make you capable of informed judgment of macroeconomic news and views. You should acquire a knowledge of the basic theoretical tools of macroeconomics, some practice at applying these tools to the understanding of major macro problems, and an awareness of the bases of disagreement over macro theory and policy issues.

Assessment: The course grade will be made up thus: two tests during the semester will count for 25 percent each, homework exercises will count for a total of 5 percent, and a final exam will count for 45 percent.

Syllabus: The material to be covered is divided into six blocks, described below. The precise timing of these blocks will depend on our rate of progress, which I shall not try to legislate in advance. (Faced with the need to choose, I think it is better to cover less material, but thoroughly, than a lot of material without real depth.) I have, however, given an approximate number of weeks beside each set of topics.

1. Introduction to macroeconomics. Nature of the problems to be investigated. Macroeconomic data and 'stylized facts'. Definition and measurement of key macro variables. National Income and GDP accounts.
http://users.wfu.edu/cottrell/ecn207/readings/nipa_primer.pdf
http://www.bls.gov/cps/cps_htgm.htm
<http://users.wfu.edu/cottrell/ecn207/readings/cpi.pdf>
<http://www.bls.gov/cpi/cpifaq.htm>
(2 weeks)
2. The 'classical' macroeconomic model. Production function and labor market; loanable funds market and the rate of interest; money supply and the price level, the Quantity Theory. The 'classical dichotomy'.
(3 weeks, test no. 1 to follow)
3. The short-run or Keynesian macromodel. Aggregate Demand and spending balance. The consumption function and the multiplier. Investment and interest, money supply and demand. The IS/LM model and macro policy.
(3+ weeks, test no. 2 to follow)
4. Money, banking and monetary policy.
<http://users.wfu.edu/cottrell/ecn207/readings/MonetaryPolicy.pdf>
(3 weeks)
5. Some extensions and issues. Foreign trade and the exchange rate; trade deficits, causes and consequences. Fiscal policy and the budget deficit, automatic stabilizers; concerns over long-run effects of the budget deficit.
(3 weeks)
6. Further macro policy issues. The Great Recession, taxation policy, macroeconomic issues in the news.
(as time permits)

Final exam date: Saturday, May 5, 9 A.M.