THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
DEPARTMENT OF ECONOMICS
ECO 346:
INTERMEDIATE MACROECONOMIC THEORY
Course Syllabus, Spring 2009

Classroom: MW 2:00-3:15pm – 111 Bryan Building

Instructor: Günce ERYÜRÜK

Office: 446 Bryan Building
Office Phone: 334-4872
Office Hours: M 1:00-2:00pm and 4:00-5:00pm
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Textbook and Other Course Materials:

The text for the course is Macroeconomics, Fifth Edition, by Oliver Blanchard, published by Prentice Hall (ISBN-10: 0-13-207829-5). This book is available at the UNCG Bookstore. All class materials such as problem sets, supplementary materials, lecture notes, announcements. . . etc, can be found in your Blackboard account. You should regularly check your Blackboard and e-mail accounts.

Course Theme:

This course discusses how the economy as a whole works. It covers several important macroeconomic topics such as aggregate output, employment, unemployment, money, inflation, interest rates and economic growth. A simple framework is developed to explain the behavior of macroeconomic variables such as aggregate output, general price level, consumption and investment in short, medium and long run. Finally, it describes the basic features of an open economy and consequences for aggregate demand.

Course Prerequisites: ECO 301.

Evaluation and Grading:

The grades for this class will be determined by the following:

Quizzes 15%
Two midterms 40% (20% each)
Attendance 5%
A cumulative final 40%
Exam Structures: Quizzes will be multiple-choice in format and ten to fifteen minutes long. I will give a total of five quizzes however count only the highest three scores. The Midterms will include questions from one or more of the following types: multiple-choice, true/false, problems, short answers, definitions, and diagram questions. Final exam will be cumulative and similar to midterms in format. All exam dates can be found below. All the exams are closed-book, closed-note, and closed-friend/neighbor. You may bring a calculator to the exam, but all calculators must be non-programmable. Cell phones CANNOT be used as calculators!

Homeworks: I will post problem sets on Blackboard. Although I will not collect them you should do them to get a good feedback about whether you understand the covered subjects well. Also it will help you to understand the topics that will be covered in coming lectures. Doing homeworks will help you to get prepared for the exams as well.

Attendance: I will take attendance irregularly, i.e. whenever I feel like. At the end of the semester if you miss one or two days you'll get the whole 5%, if you miss 3 days you'll get 4, if you miss 4 days you'll get 3, if you miss 5 days you'll get 2, and if you miss 6 days you'll get 1 out of 5%. If you miss more than 6 days you'll not get any score from attendance. Regular attendance and paying attention to classes will help you to get a higher grade.

Exam Policy: If you miss a midterm there will be NO MAKE-UP EXAM. Students with valid excuses for missing a midterm will have the assigned weight for that exam (20%) added to the final. Note that this is valid only for midterms. For a missed quiz even if you have a valid excuse you will not be able to make up for it. That's why I drop the lowest two quiz scores. If you miss the final exam without a valid excuse, you will automatically get an F. Valid excuses are an acceptable medical excuse (visiting the health center on the exam day is not an acceptable medical excuse), a death in the near family, or university related athletic event. Verification of excuses is required. Students without valid excuses will receive a grade of zero from the missed exam.

The grades for this class will be based on the following scale:

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Academic Honesty:

Students are required to follow the Code of Student Conduct. You cannot copy answers to homework assignments and exams from other students. Please check the web at: http://studentconduct.uncg.edu/policy/code/ if you are unfamiliar with its provisions.
Students with Disabilities

Reasonable accommodations will be made for students with verifiable disabilities. In order to take advantage of available accommodations, students must register with The Office of Disability Services (ODS). For more information on UNCG’s policy on working with students with disabilities, please visit ODS’ webpage at http://ods.dept.uncg.edu/.

Some Advice:

This is not an easy course. It requires your attention and a considerable amount of studying. Read the relevant chapter before I go over it in class. Falling too far behind in the readings is not a very good practice. In this class, each new section will build upon the concepts learned in the earlier sections, and you will not be able to understand the current lectures unless you understood the previous lectures. Don’t forget that you are responsible for everything that is covered and discussed in class and all the reading assignments. You can find the reading assignments below under “Course Outline”. To see how much you understand the class material check yourself with the problem set questions that I will post on Blackboard.

Course Outline:                                                                                                      Reading
INTRODUCTION
A tour of the world                                                                                      Blanchard 1
    The United States
    The European Union
    Japan
    Looking ahead
The key macroeconomic variables                          Blanchard 2
    Aggregate output
    The unemployment rate
    The inflation rate
    The short run, the medium run, the long run
THE CORE
THE SHORT RUN (IS-LM)                                                                                          Blanchard 3
The goods market                                                                                               Blanchard 4
    The composition of GDP
    The demand for goods
    The determination of equilibrium output
Financial markets                                                                                               Blanchard 5
    The demand for money
    The determination of the interest rate
Goods and financial markets (IS-LM model)
    The goods market and the IS relation
    Financial markets and the LM relation
Putting the IS and the LM relations together
Using a policy mix

THE MEDIUM RUN (AD-LM)

The labor market
  Movements in unemployment
  Wage determination
  Price determination
  The natural rate of unemployment
Putting all markets together (the AS-AD model)
  Aggregate supply
  Aggregate demand
  Equilibrium in the short run and in the medium run
  The effects of a monetary expansion
  A decrease in the budget deficit

The natural rate of unemployment and the Phillips curve
  Inflation, expected inflation, and unemployment
  The Phillips curve

THE LONG RUN

The facts of growth
  Saving, capital accumulation, and output
  Technological progress and growth

EXTENSION

THE OPEN ECONOMY

Openness in goods and financial markets

Exam and Quiz Dates:

Quiz 1: Monday, February 2
Quiz 2: Monday, February 16
Midterm 1: Monday, February 23
Quiz 3: Monday, March 16
Quiz 4: Monday, March 30
Midterm 2: Monday, April 13
Quiz 5: Wednesday, April 22
Comprehensive Final Examination: Wednesday, May 13, 12:00 – 03:00pm (111 Bryan)

General Disclaimer
I hold the right to change any part of this syllabus at any time during the semester, as circumstances warrant.