



Economics 305 (Section 0201)
Intermediate Macroeconomic Theory and Policy
Summer II 2011
Syllabus

Instructor: Orhan Torul

Office: Morrill Hall (MOR) 0105 (Telephone: x53557)

Office Hours: Tuesday and Thursday 5:00pm-6:00pm or by appointment

E-mail address: torul@econ.umd.edu

Course website: Blackboard (<http://elms.umd.edu>)

Lecture Time and Location: Tuesday and Thursday, 6:00pm-9:10pm, Tydings Hall (TYD) 1108

Textbook (Required): *Macroeconomics*, 7th Edition, Gregory N. Mankiw (ISBN-10: 1429218878) (6th edition is also fine)

Prerequisites: ECON200, ECON201, and (MATH220 or MATH140). Not open to students who have completed ECON325. ECON majors are required to take ECON325.

Course Objectives: The main objective of the course is to enable students to have a sound understanding of macroeconomics by studying the foundations of the modern macroeconomic theory. To accomplish this goal, throughout the course we are going to analyze several well-established macroeconomic models with different assumptions to explore different aspects of macroeconomics. First, our focus is going to be on long-term properties of macroeconomic by studying the “classical theory” so as to understand what determines long-run output, unemployment, interest rate, among other variables. Next, we will be concentrating on short-run fluctuations in the economy: what drives economy off its trend and how policy-makers can fine-tune in the event of adverse shocks.

Grading: The final grade will be based on **five problem sets** (each worth 5% of your final course grade except for the lowest one), **quizzes and class-participation** (worth 10% of your final grade), **a midterm exam** (worth 30% of your final course grade) and **a cumulative final exam** (worth 40% of your final course grade).

Problem Sets: Problem sets will be given on Tuesday of each week, and are to be turned in at the *beginning* of class next Tuesday. Late problem sets will **not** be accepted.

Quizzes: Quiz dates will **not** be announced in advance, and regular attendance and effort on problem sets will be sufficient to do well in quizzes.

Midterm Exam:

Thursday, July 28, 2011 (during regular lecture period):

The midterm will be based on subjects covered up to July 28. It will be an in-class exam, and it is imperative to be in class on time since extra time will *not* be given for late arrivals. Midterm exam will have both multiple choice, and problem & essay parts.

Final Exam:

Wednesday, August 18, 2010 (during regular lecture period):

The final will be comprehensive and will be an in-class exam, with more weight on post-midterm topics. Again, timeliness is required since extra time will *not* be given for late arrivals. Final exam will also have both multiple choice, and problem & essay parts.

Make-up Exam Policy: All students are **required** to attend both the midterm and final exam. Make-up exams will be granted **only** to those students whose excuse complies with University policy. If you believe you are eligible to take a make-up exam, please inform me and provide the appropriate documentation as soon as possible. The four valid excuses according to University policy are medical conditions, religious observances, participation in University events at the request of University authorities, and compelling circumstances beyond your control. ***Religious observances and participation in University events should be documented well in advance.*** Make-up exam requests should be directed to me.

Exam Re-grade Policy: If, after going over your exam and the exam solutions, you believe some of your solutions were more correct than originally judged to be, you may submit, **in writing**, an exam re-grade request. Your re-grade request must specify which solutions(s) you believe were not graded appropriately and a **substantive explanation** for why you believe your solutions is more correct than originally judged (thus, re-grade requests that consist of essentially nothing more than "I think I should have received more points on this question" will not be considered). Your entire exam is subject to re-grade. **Exam re-grade requests are due no later than one week (7 calendar days) after exams are returned** – this deadline applies even if you are not present in class the day graded exams are returned (it is your responsibility to pick up your graded exams in a timely manner).

Communication: Virtually all course material (except for the ones in the required text book) will be posted on the course website. The University has adopted email as the primary means of communication outside the classroom, and I will use it, if needed, to inform you on updates to the course. Students are responsible for updating their current email address via the appropriate link on <http://www.testudo.umd.edu/Registrar.html> and checking the course website (on Blackboard) regularly for new information.

Accommodations: Students who require special accommodations for exams must get in touch with me within the first two weeks of class.

Academic Integrity: The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, and plagiarism. For more information see <http://www.studenthonorcouncil.umd.edu>.

Copyrights: Course materials are copyrighted. Hence, selling or distributing copies or modified copies of instructors' course materials or assisting another person or entity in selling or distributing those materials may be considered in violation of the University Code of Student Conduct, Part 9(k).

Outline of topics: The following is a sketch of topics we will cover this semester – it may be modified as the course progresses, and is only tentative.

Week of July 12, 2011

Introduction, Approach and Epilogue

Required Reading: Mankiw Chapter 1, The Science of Macroeconomics
Mankiw Chapter 2, The Data of Macroeconomics

Classical Theory: The Economy in the Long Run

Required Reading: Mankiw Chapter 3, National Income: Where It Comes From and Where It Goes

Week of July 19, 2011

Classical Theory: The Economy in the Long Run

Required Reading: Mankiw Chapter 3, National Income: Where It Comes From and Where It Goes
Mankiw Chapter 4, Money and Inflation
Mankiw Chapter 6, Unemployment

Week of July 26, 2011

Classical Theory: The Economy in the Long Run

Required Reading: Mankiw Chapter 4, Money and Inflation
Mankiw Chapter 6, Unemployment

MIDTERM EXAM: Thursday, July 28, 2011 (regular lecture time and location)

Week of August 2, 2011

Business Cycle Theory: The Economy in the Short Run

Required Reading: Mankiw Chapter 9, Introduction to Economic Fluctuations

Mankiw Chapter 10, Aggregate Demand I: Building the *IS-LM* Model
Mankiw Chapter 11, Aggregate Demand II: Applying the *IS-LM* Model

Week of August 9, 2011

Business Cycle Theory: The Economy in the Short Run

Required Reading: Mankiw Chapter 10, Aggregate Demand I: Building the *IS-LM* Model
Mankiw Chapter 11, Aggregate Demand II: Applying the *IS-LM* Model
Mankiw Chapter 13, Aggregate Supply and the Short-Run Tradeoff

Between Inflation and Unemployment

Week of August 16, 2011

Business Cycle Theory: The Economy in the Short Run

Required Reading: Mankiw Chapter 11, Aggregate Demand II: Applying the *IS-LM* Model
Mankiw Chapter 13, Aggregate Supply and the Short-Run Tradeoff

Between Inflation and Unemployment

Mankiw Epilogue, What We Know, What We Don't

FINAL EXAM: August 18, 2011 (regular lecture time and location)
