

THE NEW SCHOOL
EUGENE LANG COLLEGE
SPRING TERM 2012

Syllabus for LECO 3877 Intermediate Macroeconomics

Instructor: Dr. Christian Proaño
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Lecture: MW 10:00-11:40
Office hours: Mondays 1:00–3:00pm

TA: Luis Villanueva
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Course Description and Objectives

In contrast to microeconomics, which is the study of the economic behavior of individual consumers, firms, and industries, macroeconomics is the study the economy as a whole. In this course we will study how economists model the relationships between aggregate economic variables and examine how various fiscal and monetary policies can affect the results. This course attempts to address a variety of questions about the functioning of modern economic systems, such as: What factors lead to economic growth? What causes recessions and depressions? Why is inflation rate higher in some countries than in others? What types of economic policies can be implemented, and what outcomes can be expected? The topics to be discussed in this course include: goods and financial markets, labor market, inflation, growth, open economy, and exchange rate systems. The main goal of this course will be to improve your economic literacy and ability to apply economic models to analyze world events.

Course Prerequisites

LECO 2020 - Introduction to Macroeconomics or equivalent. Students should be familiar with the concepts of supply and demand, the basics of fiscal and monetary policy, and have some experience using equations, graphs, and tables to analyze economic situations.

Required Textbook

Blanchard, O. (2010), *Macroeconomics*, 5ed, Prentice Hall.

Supplementary Material

IMF World Economic Outlook, The Financial Times, Yahoo! Finance

Conduct of Course

In lectures, new material will be presented that will follow topics from the textbook, but may differ in emphasis. All students are expected to attend lecture regularly. Besides all the obvious reasons to attend lecture, some exam questions may not be covered in the text but only covered in lectures. In the off chance that you miss a lecture, you should get lecture notes from a fellow student if they are willing to share.

In recitations, the TA will revise the material taught in class and will go over the homework exercises, which by then you are supposed to have solved.

Examination and Grading Policy

The midterm and final exams will take place during regular class time in the regular class room on the dates listed above. They will be a combination of multiple-choice questions and short answer questions. You may also bring a pocket calculator. Exam questions will be based on material covered in lecture and the textbook. There will be NO make-up exams.

Grading will be based on class participation and solutions of homework exercises (30%), a midterm (30%) and a final in-class exam (40%).

Dates for Midterm and Final Exams

- **Midterm Exam:** March 7, 10:00am
- **Final Exam:** May 9, 10:00am

Policy on Attendance and Lateness

Absences may justify some grade reduction and a total of four absences mandate a reduction of one letter grade for the course.

More than four absences mandate a failing grade for the course, unless there are extenuating circumstances, such as the following:

- an extended illness requiring hospitalization or visit to a physician (with documentation)
- a family emergency, e.g. serious illness (with written explanation)
- observance of a religious holiday

The attendance and lateness policies are enforced as of the first day of classes for all registered students. If registered during the first week of the add/drop period, the student is responsible for any missed assignments and coursework.

For significant lateness, the instructor may consider the tardiness as an absence for the day. Students failing a course due to attendance should consult with an academic advisor to discuss options.

Course Outline (Tentative)

Week of	Lecture Topic
Jan. 23	Introduction and Overview Methodological Issues and Key Macroeconomic Variables
Jan. 30	A Neoclassical Baseline Model A Keynesian Baseline Model
Feb. 6	Goods Markets Financial Markets
Feb. 13	Goods- and Financial Markets: The IS-LM Model Recitation (Luis)
Feb. 20	President's Day (No class) The Labor Market
Feb. 27	Putting All Markets Together: The AS-AD Model The Phillips Curve and the Natural Rate of Unemployment Inflation, Activity, and Nominal Money Growth
Mar. 5	Recitation (Luis) Midterm Exam
Mar. 19	The Facts of Growth Savings, Capital Accumulation, and Output
Mar. 26	Technological Progress and Growth Technological Progress: The Short, the Medium, and the Long Run
Apr. 2	Recitation (Luis)
Apr. 9	Expectations: The Basic Tools Financial Markets and Expectations
Apr. 16	Expectations, Output and Policy Recitation (Luis)
Apr. 23	Openness in the Goods and Financial Markets Output, the Interest Rate and the Exchange Rate
Apr. 30	Exchange Rate Regimes Review
May 7	Final Exam

Plagiarism Policy

Plagiarism is the unacknowledged use of someone else's work as one's own in all forms of academic endeavor (such as essays, theses, examinations, research data, creative projects, etc), intentional or unintentional. Plagiarized material may be derived from a variety of sources, such as books, journals, internet postings, student or faculty papers, etc. This includes the purchase or "outsourcing" of written assignments for a course. A detailed

definition of plagiarism in research and writing can be found in the fourth edition of the MLA Handbook for Writers of Research Papers, pages 26-29. Eugene Lang College's full Policy on Academic Honesty details the procedures for allegations of plagiarism and for penalties and can be found in the Lang catalog at <http://www.newschool.edu/lang/subpage.aspx?id=374>

Disabilities

In keeping with the University's policy of providing equal access for students with disabilities, any student requesting accommodations must first meet with Student Disability Services. Jason Luchs or a designee from that office will meet with students requesting accommodations and related services, and if appropriate, provide an Academic Adjustment Notice for the student to provide to his or her instructors. The instructor is required to review the letter with the student and discuss the accommodations, provided the student brings the letter to the attention of the instructor. This letter is necessary in order for classroom accommodations to be provided. Student Disability Services is located at 80 Fifth Avenue - 3rd Floor. The phone number is (212) 229-5626. Students and faculty are expected to review the Student Disability Services webpage. The webpage can be found at <http://www.newschool.edu/student-services/disability/>