

University of Virginia
Department of Economics

Econ 3020-090

Intermediate Macroeconomics

Spring 2022

M W 8:30 – 9:45

Monroe Hall 130

Instructor: C. Dylan McGee

Email: cdm4nr@virginia.edu

Office Hours in Monroe 219

10 – 12 M W and 5 – 5:30 T Th

Zoom Hours Fri. 10 – 12 (by request)

Text: Macroeconomics by Abel, Bernanke, and Croushore 10th Edition 2020 (Inclusive Access)

(see the UVA Bookstore IA menu in collab to get to the e-book)

Course Description: Studies macroeconomic theory and policy; includes an analysis of the forces determining employment, income, and the price level. Prerequisite: ECON 2020 and 3010 or 3110, or instructor permission.

Course Objective: to gain an understanding of macroeconomic theory and its historical development as well as the policy implications of alternative modelling approaches.

Evaluation:

11% on participation: this involves attendance in lecture and discussion **AND** actively working on the practice materials/problems/questions I provide. If you have a legitimate reason for missing a lecture and/or discussion you will have the option of showing your TA that you have worked through the material on your own time (generally by the date mentioned in the schedule below, but with some flexibility if you are out sick). TAs will be confirming your efforts/engagement with the material. Generally, a participation grade will be entered by TAs on each of the 11 “get credit” dates mentioned in the schedule below. This works best if you attend lecture and discussion regularly, but you will get the credit as long as you keep up with practice material (so it won’t cost you if you miss some meetings as long as you get caught up on the work and show your TA that work). The proof is in the practice!

52% on the Four Tests (13% each with dates and topics as shown in the schedule)

37% on the Final Exam (a comprehensive final)

The practice material and the problems/exercises we do in lecture are the guidance for what will be on the tests. So you will always have a good sense of what you are responsible for knowing. Test questions might be slight variations on the practice (obviously) but will always be very similar.

If you have one or two weak test scores you can replace them with your final exam score (i.e. switch weight to the final if it is stronger). So you could end up with as much as 63% of your course grade determined by the final (but only if that helps). I am most interested in the final learning outcomes, so don’t sweat about one bad test. If you miss one test, the zero will automatically be replaced by the final exam score. If you miss 2 tests for legitimate reasons, then I am willing to consider a make-up test or else you can just get both zeros replaced by your final exam score.

Course Outline:

Part One: Getting Started

Chapter 1 Introduction

Chapter 2 Measurement and Definitions

Part Two: Foundational Theory and the Long Run Perspective

Chapter 3 Productivity, Output, and Employment

Chapter 4 Consumption, Savings, and Investment

Chapter 5 Savings and Investment in an Open Economy

Chapter 6 Long Run Economic Growth

Chapter 7 Asset Markets, Money, and Prices

Part Three: Business Cycles, Models, and Policy

Chapter 8 Business Cycles

Chapter 9 The IS LM model with AS

Chapter 10 Classical Business Cycle Analysis

Chapter 11 Keynesian Macroeconomics

Part Four: More Perspective on Macroeconomic Policy and Institutions

Chapter 12: Unemployment and Inflation

Chapter 13 Exchange Rates and Open-Economy Macro

Chapter 14 Monetary Policy and The Fed (level of detail will depend on time)

Chapter 15 Fiscal Policy (level of detail will depend on time)

Organization/Schedule of Lecture Topics and Activities:

Week One- Lecture on 1/19 about Course and Chapter 1

(Meet TAs in discussion with optional coverage of some chapter 1 questions)

Week Two- Lecture 1/24 and 1/26 on Chapter 2

(Practice Material #1 on chapters 1 and 2 to guide discussion—get credit by 1/26)

Week Three- Lecture on 1/31 and 2/2 on chapter 3

(Practice Material #2 on chapter 3 to guide discussion—get credit by 2/2)

Week Four- Monday 2/7 Test 1 on Chapters 1,2,3 Lecture starting Chapter 4 on 2/9

(Practice Material #3 on chapters 4 and 5 started in discussions)

Week Five- Lecture continues on Chapter 4 on 2/14 then Lecture on Chapter 5 on 2/16

(Practice Material #3 on chapters 4 and 5 continued in discussion—get credit by 2/16)

Week Six- Lecture 2/21 and 2/23 on Chapter 6

(Practice Material #4 on chapter 6 to guide discussion—get credit by 2/23)

Week Seven- Monday 2/28 Test 2 on Chapter 4,5,6 Lecture on Chapter 7 on 3/2

(Practice Material #5 on chapter 7 to guide discussion—get credit by 3/2)

Spring Break 3/5-3/13

Week Eight- Lecture on Chapter 8 3/14 and Lecture starting Chapter 9 on 3/16

(Practice Material #6 on chapters 8 and 9 started in discussion)

Week Nine- Lecture continues on Chapter 9 on 3/21 and 3/23

(Practice Material #6 on chapters 8 and 9 continued in discussion—get credit by 3/23)

Week Ten- Monday 3/28 Test 3 on Chapters 7,8,9 then Lecture on Chapter 10 on 3/30

(Practice Material #7 on chapter 10 to guide discussion—get credit by 3/30)

Week Eleven- Lecture on Chapter 11 on 4/4 and 4/6

(Practice Material #8 on chapter 11 to guide discussion—get credit by 4/6)

Week Twelve- Lecture on chapter 12 on 4/11 and 4/13

(Practice Material #9 on chapter 12 to guide discussion—get credit by 4/13)

Week Thirteen- Monday 4/18 Test 4 on chapters 10,11,12 Lecture on Chapter 13 on 4/20

(Practice Material #10 on open economy macro to guide discussion—get credit by 4/20)

Week Fourteen- Monetary and Fiscal Policy (and MMT?) on 4/25 and 4/27

(Practice Material #11 to guide discussion on 4/27—get credit by Monday 4/27)

Week Fifteen- Last Lecture on 5/2 (covering loose ends and/or review for final)

Final Exam- May 13th 2:00 – 5:00

General Comments:

It is important to gain perspective on the historical development of Macro. The same goes for relating the material to current events and political economy issues. That stuff is fun, but it is also the portion of the material where students often feel uncertain about how much of my lecture is pertinent for tests. I will make an effort to include questions in the practice materials to put people more at ease about the set of concepts and questions you are responsible for knowing.

On a somewhat related note, I have a tendency to comment on the complicated nuances and limitations of some of the models we will cover. Try to appreciate such context as best you can, while remembering that practice materials (as well as practice problems/exercises from lecture handouts or PPT slides) are the foundation for your tests and quizzes. I will also make an effort to finish my lectures with a few minutes to spare so you have a chance to confer with me at the end of our lecture meetings.

Note on the 11 practice material sets (of problems and potential questions for tests):

The TAs will use their discretions (as well as your feedback) to decide which stuff gets covered in discussion. TAs will also communicate their standard for documenting your engagement to get full credit on each of the 11 sets. I generally expect reasonable effort, but not comprehensive completion of all questions and problems. I am also encouraging TAs to require a greater degree of practice material completion for any student who misses the corresponding discussion. For those students who attend discussions, I am telling TAs to give full participation credit by confirming that the student is tuned in to discussion and/or working on the problems during discussion. The TA should be circulating and giving each student a check mark for credit/effort toward the end of each discussion (and then entering 100% for that practice material in the collab grade-book). If the TA notices someone being significantly late or un-engaged, then the TA should communicate the need for a bit more completion (and might enter a 0 or a partial credit amount in collab until the student does a bit more of the work). I know that most students will be highly motivated to do the work as test preparation, but I want TAs to give a gentle nudge when needed or be aware of students who need to catch up after being out sick.

My plan is to include the sets of practice material within PPT files that I make available (and use as an anchor/outline for my lectures). Any problem that I have you work through during lecture or include on the practice material set is quite likely to show up on a test. In terms of the problems or questions that I give you during lecture, (since 75 minutes is too long for pure lecturing) I will present it in the text of a slide or with a paper handout. Any student who misses a lecture should find the PPT and Handout in collab and follow up with either me or your TA.