Economics 307: Intermediate Macroeconomics
Summer Quarter, 2015

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Course Objectives: This course is designed to introduce students to mathematical, graphical, and intuitive techniques as applied to macroeconomic theory. Topics to be covered include economic growth, long run movements in economic variables such as unemployment and price levels, and causes of short run macroeconomic fluctuations. A second objective is to introduce students to economic modeling. This is accomplished through examination of a number of different mathematical representations of the economy. A final objective is to demonstrate the links between the macroeconomy and various global, social, regulatory, demographic, political, environmental, and technological issues.

Resources: The required textbook for this class is N. Gregory Mankiw’s, Macroeconomics, 7th, 8th or 9th edition. I maintain a webpage with current macroeconomic data. On this website you will find practice problems, old exams, Microsoft Excel “helps” for various models we will examine, and answers to midterms you take. As this course utilizes a number of mathematical concepts, I also have written a mathematical review that should help those of you who are far removed from math.

Course Outline: This course is best thought of as an introduction to long-run macroeconomics followed by an introduction to short-run macroeconomics. For the first half of the course, we focus on long-run economic growth and the determination of basic economic measurements such as the unemployment rate, CPI, and GDP. We will begin the course by outlining the structure of the American economy and describing macroeconomic data of interest to this course. This material is covered in the first and second chapters of Mankiw. The chapters to be covered after this include:

<table>
<thead>
<tr>
<th>“Long-Run Macroeconomics”</th>
<th>“Short-Run Macroeconomics”</th>
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<tbody>
<tr>
<td>Chapter 3: National Income: Where it Comes from and Where it Goes</td>
<td>Chapter 10: Introduction to Economic Fluctuations</td>
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<td>Chapter 8: Economic Growth I</td>
<td>Chapter 11: Aggregate Demand I</td>
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<td>Chapter 9: Economic Growth II</td>
<td>Chapter 12: Aggregate Demand II</td>
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<td>Chapter 4: The Monetary System</td>
<td>Chapter 14: Aggregate Supply</td>
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<td>Chapter 5: Inflation</td>
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<td>Chapter 7: Unemployment</td>
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Comments: Your success in the class will depend upon a number of factors: your ability to read and understand material, your ability to assimilate lecture material and text material not covered in class, and your ability to apply economic concepts to the world around you. Obvious means of enhancing your performance include reading the chapters ahead of class, attending class, and being active in classroom discussions. Perhaps the most important tool you will employ in this class is that of math; a solid mathematical background will allow a greater understanding of the models studied in this class. I assume that each student has a working knowledge of algebra and, as Math 157 or equivalent is a prerequisite for this class, I will make use of the tools of calculus to demonstrate or evaluate a number of the theories presented in class. In order to give some idea of the level of math expected, please see my math review posted on my website. Should you be uncomfortable with these expectations, do not hesitate to see me. A second skill that will benefit you greatly is the ability to think abstractly. This class will attempt to break down a very complicated real-life economy into relatively easy to use, simple mathematical models. Having the ability to recognize a model from reality and being able to extend models to gain further realism will make your study of 307 easier and more enjoyable. Finally, you need to realize that I go through Mankiw’s book in a non-
linear manner and, unfortunately, skip some chapters. The order of chapters listed above will be the order we approach this class.

**Schedule:** I am scheduled to present a paper at the Western Economic Association meetings on July 1\textsuperscript{st}. Because this presentation is out-of-state, I will be using June 30\textsuperscript{th} and July 2\textsuperscript{nd} as travel days which means we will miss three live lectures. In their place, I have prepared three video lectures that cover this material. I will have access to e-mail during the week I miss and will be happy to help in any other way possible. I will post these lectures on the class webpage.

**Grading and Assessment:** Your assessment in this class is directly related to your ability to meet this course’s objectives; that is your ability to interpret the models presented in class and apply them to actually macroeconomic measures such as GDP, inflation and unemployment. You will be evaluated with one midterm and a final exam. The midterm will cover chapters 3, 4, 5, 7, 8 and 9 in our text (the long-run section of the class). The date of the midterm will be announced one week prior to the exam; it will likely occur during the 4\textsuperscript{th} week of class. The final exam will be a cumulative exam and given during the university scheduled time which is the Thursday of the 6\textsuperscript{th} week of class. **Absolutely no make-ups will be allowed without prior approval or a medical doctor’s excuse is presented.**

Classroom discussion of topics and current economic events is highly encouraged. Although not directly computed in your grade, students who positively participate in class may have their final grade improved above what the numerical calculation would suggest.

Grade weights are as follows:

- Midterm: 40%
- Final Exam: 60%

Finally, a note on grading. I grade on a pseudo-curve in that there is no set percentage that indicates an A, B, or C. There is also no set percentage of students that I give certain letter grades. As a matter of fact, if an entire class performs well, I have no problem giving all A’s. Of course, if an entire class performs poorly, I have no problem giving many lower grades.

**Disability Services:** Students with learning disabilities are encouraged to contact Student Support Services at 650-3844 if they desire testing accommodations for this class.

**Classroom Dishonesty:** Cheating on American campuses has become a common event. Surveys indicate that more than 80% of college graduates have cheated at least once during their tenure in higher education. Cheating is not a victimless crime. Grades earned through illegitimate means reduce the value of grades earned by honest students. Therefore, students caught cheating will immediately be failed from my course. For more information regarding Western Washington University’s Academic dishonesty policy, please review the current Academic catalog, Appendix D.