

Econ 102/Econ 502
Intermediate Macroeconomic Theory
FALL 2006

Instructor: Jinhui Bai, ICC 557, 687-0935, jb543@georgetown.edu.

Teaching Assistant: Ergys Islamaj (ei25@georgetown.edu).

Time and Location: T, Th 8:50 - 10:05am (Section 1); 10:15 - 11:30am (Section 2), ICC 118.

Instructor Office Hours: Wednesday 1:30pm - 3:30pm or by appointment, ICC 557.

TA Office Hours: Monday 06:00-07:30pm, REI 262

Prerequisites: Micro Principle, Macro Principle and Univariate Calculus.

Course Description: The goal of the course is to develop a coherent theoretical framework for thinking about the determination of macroeconomic variables such as national output, unemployment, interest rate and inflation. This theoretical framework is used to interpret macroeconomic data and to analyze macroeconomic policy. After completing the course, students should be able to think critically about macroeconomic problems and questions. The course will NOT cover materials of international trade and international finance.

Textbook: *Macroeconomics*, Sixth Edition, by N. Gregory Mankiw, Worth Publishers, 2007. This book is available at Georgetown University Bookstore. The earlier editions are also acceptable. Additional resource related to the textbook can be found at the website: <http://www.worthpublishers.com/mankiw/>.

Course Website: Georgetown University Blackboard (<http://campus.georgetown.edu>) and log in with your university netid. I will post class announcement, lecture notes (slides), problem sets, answers to problem sets, and additional readings there.

Grading and Exams: There will be weekly assignments, a midterm exam and a final. They will count toward the grade as follows.

Assignments	20%
Midterm	30%
Final	50%.

I will strictly adhere to the Economics Department's Grading Guidelines for Econ 102:

A/A-	35%
B+/C+	50%
C or Below	15%
Median	B+

There will be 8 Problem sets for the course. The assignments are due in class before the lecture at the announced date. Homework assignments will be graded according to the

following scale: $\checkmark+$, \checkmark , $\checkmark-$, 0. Late problem sets will receive a grade of **zero**. There is **NO** exception. To allow for the possibility of unexpected emergency, I will drop your two lowest homework scores in calculating your final grade. Group discussion in solving the homework assignments is encouraged, but each student is expected to write their own answers and in their own words.

The midterm exam will be on **Thursday, Oct. 12** in the class. There is no make-up exam for the midterm. If for whatever reason a student fails to take the midterm exam then the total will be given a weight of 80% of the course grade.

The final exam will take place sometime in December. The exam date will be announced later. The final exam is cumulative.

Both exams will be closed-book and closed-notes. You will find that understanding the lecture and the homework is the key to succeeding in the exams.

Academic dishonesty: All suspected incidents of cheating on exams will be reported to the Honor Council. Students who are found in violation of the Honor Code receive a grade of "F" for the course, in addition to whatever sanctions are recommended by the Honor Council's Hearing Board.

Additional Readings: The course will follow the textbook closely. Because the lectures cover only the key points of each of the chapters, reading and studying the textbook in a timely fashion is an essential part of the course.

In addition to readings from the textbook, topical readings from such publications as The Economist, The Wall Street Journal, The New York Times, Financial Times, and Business Week will occasionally be posted to the course web site. In general, you will find the course material more interesting if you read articles in the popular press on economics and business as the course progresses and try to apply what you have learned to real-world events.

Course Outline

The schedule of lectures below is approximate, but the schedule of homework assignments and exams is exact. Homework assignments will be posted to the course web site by 5PM on the indicated dates. Graded homework assignments will be returned to students in the sections following the due dates. Answer keys to the homework assignments will be posted on the course web site shortly after the due dates.

Week 1

Thu, Aug. 31: Lecture (Chapter 1: The Science of Macroeconomics)
No Homework this week.

Week 2

Tue, Sep. 05: Lecture (Chapter 2: The Data of Macroeconomics)
Thu, Sep. 07: Lecture (Chapter 3: National Income)
Homework #1 posted

Week 3

Tue, Sep. 12: Lecture (Chapter 3: National Income)
Homework #1 due (at the beginning of lecture)
Thu, Sep. 14: Lecture (Chapter 6: Unemployment)
Homework #2 posted

Week 4

Tue, Sep. 19: Lecture (Chapter 4: Money and Inflation)
Homework #2 due (at the beginning of lecture)
Thu, Sep. 21: Lecture (Chapter 4: Money and Inflation)
Homework #3 posted

Week 5

Tue, Sep. 26: Lecture (Chapter 7: Economic Growth Theory)
Homework #3 due (at the beginning of lecture)
Thu, Sep. 28: Lecture (Chapter 7: Economic Growth Theory)
Homework #4 posted

Week 6

Tue, Oct. 03: Lecture (Chapter 8: Economic Growth Empirics)
Homework #4 due (at the beginning of lecture)
Thu, Oct. 05: Lecture (Chapter 8: Economic Growth Empirics)
No Homework this week.

Week 7

Tue, Oct. 10: Catch-Up Lecture and Review for Midterm Exam
Thu, Oct. 12: **Midterm Exam**
No Homework this week.

Week 8

- Tue, Oct. 17: Lecture (Chapter 9: Introduction to Economic Fluctuations)
Thu, Oct. 19: Lecture (Chapter 10: IS-LM/AD-AS Model)
No Homework this week.

Week 9

- Tue, Oct. 24: Lecture (Chapter 10: IS-LM/AD-AS Model)
Thu, Oct. 26: Lecture (Chapter 11: IS-LM/AD-AS Model)
Homework #5 posted

Week 10

- Tue, Oct. 31: Lecture (Chapter 13: Aggregate Supply)
Homework #5 due (at the beginning of lecture)
Thu, Nov. 02: Lecture (Chapter 13: Aggregate Supply)
Homework #6 posted

Week 11

- Tue, Nov. 07: Lecture (Chapter 16: Consumption)
Homework #6 due (at the beginning of lecture)
Thu, Nov. 09: Lecture (Chapter 16: Consumption)
Homework #7 posted

Week 12

- Tue, Nov. 14: Lecture (Chapter 17: Investment)
Homework #7 due (at the beginning of lecture)
Thu, Nov. 16: Lecture (Chapter 18: Money Demand)
Homework #8 posted

Week 13

- Tue, Nov. 21: Lecture (Chapter 18: Money Supply)
Homework #8 due (at the beginning of lecture)
Thu, Nov. 23: **Thanksgiving Break.** No Lecture.
No Homework this week.

Week 14

- Tue, Nov. 28: Lecture (Chapter 15: Government Debt)
Thu, Nov. 30: Lecture (Chapter 14: Stabilization Policy)
No Homework this week.

Week 15

- Tue, Dec. 05: Lecture (Chapter 19-1: Real Business Cycle Theory)
Thu, Dec. 07: Catch-Up Lecture and Review for Final Exam
No Homework this week.