

Intermediate Macroeconomic Analysis

Course: Economics 321 (Section 01)

Time: Monday and Wednesday, 2:50 pm – 4:10 pm

Room: AB 1170

Instructor: Yu Xiao

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Office hours: Wednesday 10:00 am– 11:00am or by appointment

Prerequisites: Grades of C or higher in Intro to Microeconomics (220:102), Intro to Macroeconomics (220:103), and Calculus I (640:135 or 640:151, or equivalent).

Course Materials: The required textbook is *Macroeconomics Policy and Practice* (2nd edition) by Frederic S. Mishkin, which is available in hardcover and as an e-text.

Exams: There will be three exams on the following dates:

Exam 1	March 4 (in class)
Exam 2	April 8 (in class)
Exam 3	May 13 (12:00pm-3:00pm in class)

Assessment and Grading:

Students are expected to attend all class meetings and to actively participate in discussions by asking and answering questions. If you will miss more than one class because of illness or a family emergency, please contact me as soon as possible. And please use the University absence reporting website: <https://sims.rutgers.edu/ssra/> to indicate the dates and reason for your absence. An email will also be automatically sent to me.

Homework and Attendance	10%
Exam I	20%
Exam II	30%
Final	40%

Late homework assignments will be accepted but are penalized 10% per day. In other words, if you submit an assignment one day late, your maximum possible score is 90%. After two days, the maximum score is 80%, and so on.

Exam: Cell phones and other electronic devices not used to access course materials **must be turned off** before each class begins. **No exit during an exam.**

There will be **no makeup exams**. If a truly extreme situation arises, you must contact me immediately. I must agree the reason was extreme enough to miss the exam and verification of your situation will be required. Otherwise, you will receive a grade of 0 for any exam missed.

Note: Economics majors must earn a grade of **C or better** in this course

There will be **no extra credit** work.

Academic Integrity: Cheating will not be tolerated. The University has established severe penalties for cheating. The University's policy on academic integrity is found in the official catalogue at <http://academicintegrity.rutgers.edu/academic-integrity-at-rutgers>

Learning outcomes: This class analyzes general equilibrium models of the aggregate economy. Students will learn how to model the factors affecting long-run economic growth and the determinants of business-cycle fluctuations. They will use these models to study the effects of monetary and fiscal policy on output, prices, unemployment, the trade balance and exchange rates. In addition, students will study the causes and effects of financial crises and the macroeconomic effects of government debt.

Course outline: The outline below provides an overview of the topics we will cover. The precise order/topics may be revised over the course of the semester.

Macroeconomic Preliminaries: Chapters 1 – 3

Saving and Investment: Chapter 4

Long-run Economic Growth: Chapters 6 – 7

Exam 1 (March 4)

Introduction to Business Cycles: Chapters 8

The IS curve: Chapter 9

Monetary Policies, Aggregate Demand: Chapter 10

Aggregate Supply, Phillips Curve: Chapter 11

Equilibrium in AS and AD: Chapter 12

Exam 2 (April 8)

Current policy issues: Chapters 16 – 17

--*Government budget, deficit; supply side economics*

--*Exchange rates in the AS/AD model*

Exam 3 (May 13)