

Economics 3311: Intermediate Macroeconomics

Fall 2024

Instructor: Camilo Granados

Class Time and Location: Tuesday and Thursday 4:00PM-5:15PM, AD 3.216

Course Office Hours: Tuesday 2:00PM-3:50PM or by appointment, GR 2.820

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Course Description

This course offers an exploration of macroeconomic theory and practice, focusing on both long-run and short-run economic phenomena. We will begin by introducing the fundamental concepts of macroeconomics, including methods used to measure key economic indicators, such as Gross Domestic Product (GDP). The course then delves into model representations of economic dynamics and fluctuations that are relevant for understanding how economies evolve over time.

Moving from the long-run to the short-run, we will explore the dynamics of inflation, output fluctuations, and business cycles, using general equilibrium frameworks and related concepts such as the Phillips curve. Using these tools we later pay special attention will be paid to understanding the causes and consequences of economic crises, both in the US and around the world. Finally, we will introduce a benchmark framework resembling of the frontier of macroeconomic research based on microeconomic insights, namely the Dynamic Stochastic General Equilibrium models (DSGE) emphasizing on their usage for macroeconomic policy analysis.

Learning Outcomes

By the end of this course, students will gain a solid foundation and familiarity with macroeconomic analysis, equipping them with the tools to assess economic outcomes at the aggregate economy level and to understand both the factors driving the growth of an economy and the role of policy in shaping the fluctuations of key economic variables. In particular the students will be able to:

- Measure the Gross Domestic Product (GDP) and evaluate its strengths and limitations as an economic indicator.
- Explain the determinants of long-run economic growth and use model frameworks to compare growth across different countries.
- Understand the causes, consequences and costs of inflation.
- Define the concept of business cycle fluctuations and their relation to actual and potential GDP.
- Analyze the reasons behind output gaps where actual GDP falls below potential GDP and the economic implications of these fluctuations.
- Examine the causes, consequences, and recovery following the Great Recession of 2007-2009.
- Construct and interpret the IS curve, and understand how shifts in this curve relate to changes in interest rates and output.
- Utilize the Aggregate Supply-Aggregate Demand (AS/AD) framework to understand macroeconomic stabilization policies.

Prerequisites

The course will cover a sequence of economic models and concepts that use basic mathematical concepts and tools. This will require familiarity with algebra, and with the graphical representation of an equation. These tools should be familiar to you for a satisfactory progress during the course. Other than this, the only other prerequisite is a course on Principle of Economics (or similar).

Workload expectations

You should expect to have to read the textbook regularly and ideally in advance to the corresponding lecture, in addition you will work on five homework assignments (or problem sets) and prepare for two midterm exams and one final (cumulative) exam. There will be a chance for bonus assignments too.

Group Work

Working in groups is encouraged. Study groups are encouraged for assignments and for exams preparation. However, you must submit your own individual write-up for all assignments. On the other hand, all exams/quizzes will be based on individual evaluations; no collaborations are allowed.

Course Textbook

- (Required) Jones, Charles I. (2021). *Macroeconomics*, 5th edition. WW Norton & Company. New York: New York. (previous versions are allowed)
- Additional supplementary material posted on the website occasionally

Assessments

- 5 Problem Sets (30%)

There are five homework assignments to help you review and apply the material learned in lectures. The submission dates are posted on the website (and adjusted if necessary and with enough anticipation). The submissions will be done via e-Learning.

- Exams and Quizzes (70%)

There are **three exams** during the quarter and a final exam, the first two are midterms (20% each). The final exam (30%) is cumulative. The dates for these exams will be posted, an updated if necessary (and only after announcing it during the lectures) on the course website.

If you cannot make an exam date, the following policy applies: Major exceptions are only allowed in case of medical emergencies that concern either you or your family. In this case, please provide a certification by a doctor on the exam. If you miss a midterm (could not take it), there are no make-up tests. If your absence is justified, then the grade will be distributed to the rest of exams. In contrast, if you miss the final exam you may need to take a make-up exam next term or later during office hours. This exam could be significantly harder than the exam at the end of this term, reflecting the fact that you have more time for preparation.

- Extra Credit: Economic Events Analysis and Policy Advice

You will be able to submit an analysis of real-life economic news at the end of the semester. This will be a technical report-type of submission where you have to analyze a number of economic real events from the lenses of the economic models viewed in class and provide economic policy advice. If you opt to do this, the worst midterm grade will be replaced by the other one, and the final exam weight will lower by 5% which, instead will be added as a 5% component with full credit to the final grade. Finally, if the response rate of the course review is equal or higher than 80% you will get an additional 2% bonus on your final grade.

-Grading:

The grader for this course is Yiqun Yu (Yiqun.Yu@utdallas.edu). I trust fully his competence in this task. Thus, if you have any questions you can email directly, however, r CC me on the communications. To facilitate the grading work, 2-3 questions of each assignment are chosen randomly and assessed and the entire submission is graded based on these. We will state which questions were chosen each time and provide solutions. On the other hand, late submissions are subject to a penalty. Problem sets turned in after the deadline will get a 20% deduction (can get at maximum 80% of the credits). Importantly: There are no make-up problem sets. Additionally, the lowest problem set grade will be dropped.

-Email Questions and Office Hours:

Using the office hours is highly encouraged. If you have questions on the material you should come. You can also make questions via email. However, if the answer is expected to take more than a paragraph, I encourage you to come to my office during the Office Hours time or to talk to me after each lecture.

Similarly, if the question is about course logistics and its answer is in the Syllabus, I will just refer you to it.

Academic Conduct Policy

The School of Economic, Political and Policy Sciences – EPPS supports University policies regarding academic honesty and classroom behavior. Students of the course are expected to adhere to the University of Texas at Dallas' Policy on Academic Honesty that can be found at <https://conduct.utdallas.edu/dishonesty/>

Class Recordings

Students are expected to follow appropriate University policies and maintain the security of passwords used to access recorded lectures. Unless the Office of Student AccessAbility has approved the student to record the instruction, students are expressly prohibited from recording any part of this course. Recordings may not be published, reproduced, or shared with those not in the class, or uploaded to other online environments except to implement an approved Office of Student AccessAbility accommodation. Failure to comply with these University requirements is a violation of the [Student Code of Conduct](#).

Withdrawal from Class

The administration at UT Dallas has established deadlines for withdrawal from any course. These dates and times are published in the Comet Calendar (<http://www.utdallas.edu/calendar>) and in the Academic Calendar (<http://www.utdallas.edu/academiccalendar>). It is the student's responsibility to handle withdrawal requirements from any class. In other words, a professor or another instructor cannot drop or withdraw any student unless there is an administrative drop such as the following:

- Not meeting the prerequisites for a specific course
- Not satisfying the academic probationary requirements, resulting in suspension
- An Office of Community Standards and Conduct request
- Not making appropriate tuition and fee payments
- Enrollment is in violation of academic policy
- Not admitted for the term in which they registered

It is the student's responsibility to complete and submit the appropriate forms to the Registrar's Office and ensure that he or she will not receive a final grade of "F" in a course if he or she chooses not to attend the class after being enrolled.

Incomplete Grade Policy

As per university policy, incomplete grades may be given at the discretion of the instructor of record for a

course, when a student has completed at least 70% of the required course material but cannot complete all requirements by the end of the semester. An incomplete course grade (grade of 'I') must be completed within the time period specified by the instructor, not to exceed eight (8) weeks from the first day of the subsequent long semester. Upon completion of the required work, the grade of 'I' may be converted into a letter grade (A through F). If the grade of Incomplete is not removed by the end of the specified period, it will automatically be changed to a grade of F. The incomplete grade policy is included in the online UT Dallas Undergraduate Catalog, <https://catalog.utdallas.edu/now/undergraduate/policies/academic#incomplete-grades> and the Graduate Catalog, <https://catalog.utdallas.edu/now/graduate/policies/grades#grade-of-i-incomplete>.

Accommodations for Students with Disabilities

The University of Texas at Dallas is committed to providing reasonable accommodations for all persons with disabilities. The syllabus is available in alternate formats upon request. If you are seeking classroom accommodations under the Americans with Disabilities Act (2008), you are required to register with the Office of Student AccessAbility (OSA), located in the Administration Building, Suite 2.224. Their phone number is 972-883-2098, email: studentaccess@utdallas.edu and the website is <https://studentaccess.utdallas.edu>. To receive academic accommodations for this class, please obtain the proper Office of Student AccessAbility letter of accommodation and meet with the Director of OSA at the beginning of the semester.

Course Topics

This outline is tentative and may be adjusted as necessary as the semester progresses.

- Chapter 1: Introduction to Macroeconomics
- Chapter 2: Measuring the Macroeconomy
- Chapter 3: An Overview of Long-Run Economic Growth
- Chapter 4: A Model of Production
- Chapter 5: The Solow Growth Model
- Chapter 8: Inflation
- Chapter 9: An Introduction to the Short Run
- Chapter 10: The Great Recession: A First Look
- Chapter 11: The IS Curve
- Chapter 12: Monetary Policy and the Phillips Curve
- Chapter 13: Stabilization Policy and the AS/AD Framework
- Chapter 14: The Great Recession and the Short-Run Model
- Chapter 15: DSGE Models: The Frontier of Business Cycle Research