Economics 3311: Intermediate Macroeconomics
Spring 2025

Instructor: Camilo Granados
Class Time and Location: Monday and Wednesday 2:30 PM-3:45PM, FN 2.104
Course Office Hours: Monday 4:00 PM-6:00 PM or by appointment, GR 2.820
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Course Description

This course explores 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 to 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 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.
- 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 satisfactory progress during the course. Other than this, the only other prerequisite is a course on Principles of Economics (or similar).

Workload expectations

You should expect to read the textbook regularly, ideally in advance of 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 also be a chance for bonus assignments.

Group Work

Working in groups is <u>encouraged</u>. Study groups are encouraged for assignments and for exam preparations. 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 designed to assist students in reviewing and applying the material covered in lectures. The submission dates have been posted on the website and may be adjusted if necessary, provided ample notice is given. Submissions will be conducted through e-Learning.

- Exams and Quizzes (70%)

There are **three exams** during the quarter and a final exam. The first two are midterms (20% each), and the final exam (30%) is cumulative. The current dates for these exams are given below.

Midterm Exam 1: 2/26
Midterm Exam 2: 4/9
Final Exam: 5/7

Note these dates can be modified as necessary. The official source for such dates will be 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 the 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 Assignments:

You will be able to submit one or two additional optional assignments to obtain extra credits. The first is an analysis of real-life economic events based on News. This is a technical report where you will analyze real economic events from the lenses of the models reviewed in class. The second is a Final Project. In either case, you will get a 5% full credit bonus (and if you do both, then you will obtain 10%). If the bonus applies, the rest of your grade will be downweighed by the percentage of the bonus, and then the remainder is added as full

credits. Finally, if the response rate of the course review is equal to or higher than 80%, you will get an additional 1% bonus on your final grade.

-Grading:

Yiqun Yu (Yiqun.Yu@utdallas.edu) is the grader for this course. I fully trust his competence in this task. Thus, if you have any questions, you can email him directly; however, CC me on the communications. To facilitate the grading work, two to three questions from 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 a maximum of 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:

It is highly encouraged that you use office hours if you have questions about the material. You can also ask questions via email. However, if the answer is expected to take more than a paragraph, I encourage you to come to my office during Office Hours or talk to me after each lecture.

Similarly, if the question is about logistics and its answer is included 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.

<u>Course Topics</u>

- 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