

Intermediate Macroeconomics
V31.0012
Fall 2009, New York University

T-R, 11:00-12:15, CANT 102

Instructor: Virgiliu Midrigan
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Objectives

We examine the determinants of long-run growth and business cycles, as well as study inflation, unemployment, fiscal and monetary policy, and issues in international trade.

Prerequisites

V31.0001, V31.0002, V63.0121 (Calculus I)

Although a thorough knowledge of calculus is not essential for success in this course, I will assume that students are able to perform algebraic manipulations and are familiar with a) logarithmic and exponential functions, b) limits, c) derivatives and integrals, d) maximization and minimization of functions.

Teaching Assistants

Daniel Barczyk (db1395@nyu.edu):
M, 3:30-4:45, 19W4 102
M, 4:55-6:10, TISC LC11

Kechen Chen (kc708@nyu.edu):
F, 11-12:15, SILV 706
F, 12:30-1:45, 48CS 112

Daniel and Kechen will be responsible for grading your tests/HW as well as conducting recitation sessions. The sessions will be devoted to reviewing the material presented during lectures and solving problems. Please email your Teaching Assistant in advance of a session with any questions/problems you would like them to go over in class.

Textbook

Abel , Bernanke, Croushore, *Macroeconomics*, Sixth Edition
MyEconLab is NOT required and I will NOT use it in this course. If you did purchase access and would like to use it on your own, the course id is: [XLOE-D1HT-901Y-18Y2](#)

Quiz and Exam Dates

Quiz 1: September 22 (chapters 1 - 4)

Exam 1: October 6 (chapters 1 - 6)

Quiz 2: October 27 (chapters 7 - 9)

Exam 2: November 10 (chapters 7 - 11)

Quiz 3: December 1 (chapters 12 - 13)

Exam 3: Final's Week (chapters 12 - 15)

Quizzes will consist of 6 multiple-choice questions and will be administered at the end of the lecture. Exams consist of a combination of multiple-choice questions and quantitative/graphical exercises.

Regrade requests:

You are welcome to request a regrade if you suspect a grading error on the test (quiz/exam). Submit the test, as well as a note explaining what the grading error is, to your recitation TA. Your recitation TA and I will then re-grade the entire test, and change the grade if needed. Do not submit tests for re-grading unless you have a good reason to do so: your entire test will be re-graded and there is a good chance that you may lose rather than earn points if the original grade was too generous.

Homework assignments

Homework assignments are a minor determinant of your final grade (see below). However, solving problems is the most efficient way to learn Economics. You should therefore spend considerable time on these. (Hint: some of the exam problems will be similar in style to those on the homework.)

The problems below refer to end-of-chapter Numerical Problems (NP) or Analytical Problems (AP) in Abel, Bernanke, Croushore, 6th Edition.

Homework 1: due anytime before Quiz 1 (Sept 22)

Chapter 1: NP 1.

Chapter 2: NP 1, 3, 6, 7.

Chapter 3: NP 3, 10, AP 1, 3.

Homework 2: due anytime before Exam 1 (Oct 6)

Chapter 4: NP 1, 2, 5, 6 AP 2, 3.

Chapter 5: NP 2, 6, AP 1, 3, 5, 7.

Chapter 6: AP 1, 2, 5.

Homework 3: due anytime before Quiz 2 (Oct 27)

Chapter 7: NP 1, 2, 4, AP 1

Chapter 8: AP 2, 3, 4, 5

Homework 4: due anytime before Exam 2 (Nov 10)

Chapter 9: NP 1, 3, 5, AP 1-3

Chapter 10: NP 2, 3, AP 1-3

Chapter 11: NP 2, 3, 4, AP 1-3

Homework 5: due anytime before Quiz 3 (Dec 1)

Chapter 12: NP 1, 3, AP 1, 2, 5

Chapter 13: NP 1, 2, AP 1-3

Homework 6: due anytime before Exam 3 (Final Week)

Chapter 14: NP 1, 2, 4, AP 4

Chapter 15: NP 2, 3, 4, 7, 8

Attendance

You are expected to attend classes regularly, ask questions and participate in discussions. I will occasionally take attendance, but not according to a particular schedule. If you are absent during a date on which attendance is taken, your absence will be recorded unless you have a valid documented excuse (medical etc.).

An important exception to this rule is in case of students who experience flu-like symptoms. You are NOT required to present a doctor's note in such an event: an email message to me explaining your absence will suffice.

Grading Policy

Your grade will be determined by the total number of points you accumulate on quizzes, exams and homework assignments. The following table summarizes the number of points assigned to each test:

Quizzes (3 x 6 points each):	18 points total
Exams (3 x 24 points each):	72 points total
Homework assignments (6 x 1 point each):	6 points total
Class participation / attendance	4 points
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	100 points

Make-ups etc.

No make-ups will be administered for exams and quizzes. You have the option to skip 1 (and only one) exam, 1 quiz and 2 homework assignments, for any reason (including a medical emergency such as flu). If you choose to exercise this option, simply do not turn in your assignment. Your total score for the course will be based on the number of points accumulated on all other tests (re-scaled accordingly). For example, if you miss Exam 2 (worth 24 points) and accumulate 65 points on all other tests, your total score will be $65/(100-24)*100$. If you miss Exam 1 (worth 24 points) and Quiz 3 (worth 6 points) and accumulate a total of 50 points on all other tests, your total score will be $50/(100-6-24)*100$. Etc.

Notice that this is NOT an option to “drop the lowest grade.” If you choose to submit an exam for grading, and do poorly, that grade will count towards your final score. Exercise your option carefully.

It is OK to attend a test and decide to not submit after having worked through the problems: simply do not turn in your test if you don't want that grade to count. It is also OK to skip, say, the Final Exam if you have done sufficiently well on the previous assignments (and have not yet missed another exam) in order to avoid lowering your grade: only the first 2 exams (re-weighted accordingly) will count towards your final score.

I introduce this option mainly in order to avoid penalizing students who are unable to miss an exam because of an illness (e.g. flu). My advice is that you do not exercise the option unless you have a medical emergency or unless you have already done well on the first two exams/quizzes. If you choose to skip Exam 1 simply because you have not studied sufficiently, you risk receiving 0 points on Exam 2 in the event of an emergency (recall that you can skip one exam only).

My grading scheme is as follows:

92-100: A, 88-91: A-
84-87: B+, 80-83: B, 76-79: B-
70-75: C+, 65-69: C, 60-64: C-
50-59: D
< 50 : F

After I compute a grade according to the scheme above, I will curve grades upwards based on your ranking in the course:

Students ranked in the 85th -100th percentile will be assigned an A.
Students ranked in the 70th -85th percentile will be assigned at least an A-
Students ranked in the 60th -70th percentile will be assigned at least a B+
Students ranked in the 40th -60th percentile will be assigned at least a B
Students ranked in the 30th -40th percentile will be assigned at least a B-
Students ranked in the 10th -30th percentile will be assigned at least a C-
Students ranked in the 5th -10th percentile will be assigned at least a D

Thus, if you happen to score a total of 85 points, but happen to be in the top 15% of the class, you will be assigned a grade of A. The curve will not lower your grade relative to the original scheme. For example, if you happen to score a total of 85 points, but are in the 45th percentile, you will still be assigned a grade of B+.

Outline

Part 1: Introduction and Measurement. Current Financial Crisis. (2 lectures)

Chapters 1 and 2

- Part 2: Long-Run Issues (6 lectures)

Production (Chapter 3)

Consumption-Saving-Investment (Chapter 4)

Open Economy (Chapter 5)

Growth (Chapter 6)

Exam 1 covers Parts 1-2

Part 3: Asset Market and Business Cycles (8 lectures)

Asset Market (Chapter 7)

Business Cycle Facts (Chapter 8)

General Equilibrium Analysis (Chapter 9)

Real Business Cycle Models (Chapter 10)

Sticky Wage and Price Models (Chapter 11)

Exam 2 covers Part 3

Part 4: Policy (8 lectures)

Unemployment and Inflation (Chapter 12)

International Finance (Chapter 13)

Monetary Policy and the Fed (Chapter 14)

Government Spending (Chapter 15)

Exam 3 covers Part 4