

ECON 3116: Macroeconomic Analysis

Spring 2018

Monday and Wednesday 11.30am-12.45pm. Room LL

Professor: Patricia Gomez-Gonzalez (e-mail: pgomezgonzalez@fordham.edu)

Office hours: Wednesday 2.30-4.30pm in office LL 917A (and by appointment if this time does not work).

Overview of the class and prerequisite

This course deepens your knowledge in macroeconomics, after Basic Macroeconomics (ECON 1100), which is a prerequisite. The questions the course tackles are key questions in macroeconomics: Why do some countries grow more than others? How does a country achieve sustained growth? What is a recession and what causes one? Which government policy interventions can ameliorate a recession? What determines changes in interest rates, the rate of inflation, and what are the consequences of such changes? We study the workhorse macroeconomic models to understand short-run fluctuations and long-run growth.

Textbook & MyEconLab

The textbook for this course is: ***Macroeconomics* by Olivier Blanchard. 7th edition. Pearson Higher Education.** There are two ways to purchase it:

- Loose leaf in Fordham Lincoln Center Bookstore which includes a digital textbook too (ISBN: 9780134472669)
- Digital textbook from Pearson website. (ISBN: 9780133860931)

Homework assignments for this class are posted in **MyEconLab**, an online platform with exercises, study guides, and solutions. Both textbook The course ID is: **gomez-gonzalez65306**. Both ISBN above include access codes to MyEconLab. Furthermore, you can purchase an access code for MyEconLab separately (without the textbook).

Grading

The total grade of the class will be calculated with the following weights:

1. Midterm examination = 25%.

- a. Done in class on February 26.
- b. 2 parts: (i) short answer questions, (ii) 2 problems.

2. Final examination = 35%

- a. Cumulative.
- b. 2 parts: (i) short answer questions, (ii) 3 problems.

3. Homework = 10%

- This class has 10 to 12 homework assignments (one per topic). Homework assignments are graded out of 100%.
- Graded on correctness scale (not on submission). You have two opportunities per question.
- Late submissions will result on a 50% penalty within a week. No later submissions than a week allowed.

4. Very short quizzes (VSQs) = 15%

- There are 10 VSQs. These are in-class quizzes with questions directly (or very similar) to the homework.
- They are completed in the online platform (so please bring a tablet or your laptop) and cannot be taken if you do not attend the class.
- They are closed-book quizzes and **can only be taken in class**.
- The two lowest grades are dropped.
- We cover the solutions to the questions right afterwards.

5. Article discussion = 15%

- This class covers the five readings and two podcasts listed under “additional materials” below. It encourages **active learning**.
- Grades are given from (0-3).

Class attendance

Students are expected to attend every class of every course for which they are registered. However, absences for reasons of religious holiday, serious illness, death in the student's immediate family, or required participation in a university-sponsored event are, with the appropriate documentation, **excused absences**.

Students must arrive on time to the class. Not doing so interrupts the dynamics of the class and distracts your fellow students and the instructor.

Coming to class and being on time is key to completing the VSQs and participation in the article discussion. These two parts are *worth 30% of your grade*.

Make-up Examinations

The same policy as for class attendance applies to the midterm and final examination. The only reasons to not take it when it is scheduled are listed above as “excused absences”. There will be **no** make-up VSQs, even in the case of an “excused absence”.

Let me know about concerns with midterm or final dates once you know them. The earlier you mention it to me, the better we can plan for it.

Outline of the course

	Introduction	Materials
TOPIC 1	The US Economy in perspective	Chapter 1 in Blanchard (B)
TOPIC 2	Macroeconomic variables	Chapter 2 in B
	The Economy in the Short-run	
TOPIC 3	The goods market	Chapter 3 in B and Reading 1 below
TOPIC 4	Financial markets	Chapter 4 in B
TOPIC 5	ISLM model	Chapter 5 in B
	The Economy in the Medium-run	
TOPIC 6	The labor market	Chapter 7 in B and reading 2 below
TOPIC 7	Phillips curve, natural rate of unemployment and inflation	Chapter 8 in B and podcasts below
TOPIC 8	ISLM-PC model	Chapter 9 in B and readings 3 and 4 below
	The Economy in the Long-run	
TOPIC 9	Facts of growth	Chapter 10 in B
TOPIC 10	Saving, capital accumulation, and output	Chapter 11 in B
TOPIC 11	Technological progress	Chapter 12 in B and reading 5 below

Additional materials

- Reading 1: “Fiscal Multipliers. When does the buck stop?” The Economist. Published in Series “Economics Briefs. Six Big Ideas.”

- Reading 2: “Taking Stock of Labor Markets on Both Sides of the Atlantic; Europe's High Unemployment Rate Makes Its Labor Market Appear Worse Than It Actually Is.” The Wall Street Journal. February 14, 2014
- Podcasts: Two episodes from NPR’s podcast “The Indicator”: i) Full Employment: are we there yet? December 13, 2017. Link: [here](#). ii) Where’s my raise? December 8, 2017. Link: [here](#).
- Reading 3: “White House Doesn't See Need for Faster Fed Hikes”, Bloomberg Markets, January 7, 2018.
- Reading 4: “Will America’s Economy Overheat in 2018?” The Economist, December 14, 2017.
- Reading 5: Eric Roth, Jeongmin Seong, and Jonathan Woetzel. “Gauging the strength of Chinese innovation”. McKinsey Quarterly Report. October 2015.

Discussion organization

Discussion takes place in two ways: online forum and in class. The table below lists the discussions, materials, and organization:

	Materials	Online forum	In-class
1	Reading 1	Group A (Amaral-Malik)	Group B (Mendez-Zhao)
2	Reading 2	Group B (Mendez-Zhao)	Group A (Amaral-Malik)
3	Podcasts		Everyone
4	Reading 3	Group A (Amaral-Malik)	Group B (Mendez-Zhao)
5	Reading 4		Everyone
6	Reading 5	Group B (Mendez-Zhao)	Group A (Amaral-Malik)

- For some discussions there will be a reading guide with questions to guide the discussion.
- Group in charge of the in-class discussion must read online forum in advance. Hence, there will be one day between online forum and in-class discussions where new posts on online forum will not be allowed.

On communicating with the Professor

My favorite method of communication is *face-to-face*. Please come to office hours or ask me any question or doubt right after class. If it is a logistic issue about the class, probably I will be able to answer after class. If it is a question about the material, probably office hours are best (although I’ve had interesting discussion about substantive issues right after class!)

Schedule

Class #	Date	Material covered	Discussions
1	17-Jan	Topic 1	
2	22-Jan	Topic 1/2	
3	24-Jan	Topic 2	
4	29-Jan	Topic 3	
5	31-Jan	Topic 3	Reading 1 forum opens
6	5-Feb	Topic 4	Reading 1 in class
7	7-Feb	Topic 4	
8	12-Feb	Topic 5	
9	14-Feb	Topic 5	
	19-Feb	<i>NO CLASS</i>	
10	20-Feb	Topic 6	
11	21-Feb	Topic 6	
12	26-Feb	MIDTERM	Reading 2 forum opens
13	28-Feb	Topic 7	Reading 2 in class
14	5-Mar	Topic 7	
15	7-Mar	Topic 7	Podcasts discussion
16	12-Mar	Topic 8	
17	14-Mar	Topic 8	Reading 3 forum opens
18	19-Mar	Topic 8	Reading 3 in class
19	21-Mar	Topic 8	Reading 4 discussion
March 26, 28, April 2		<i>NO CLASS</i>	
20	4-Apr	Topic 9	
21	9-Apr	Topic 9	
22	11-Apr	Topic 10	
23	16-Apr	Topic 10	
24	18-Apr	Topic 10	
25	23-Apr	Topic 11	
26	25-Apr	Topic 11	Reading 5 forum opens
27	30-Apr	Topic 11	Reaading 5 in class
28	2-May	Review	
Monday May 14, 9.30am		FINAL EXAM	

28 classes minus midterm