Intermediate Macroeconomics (Econ 30020)
University of Notre Dame
Spring 2020
Professor Michael Pries
Section 01: T/Th 9:30-10:45am, Debartolo 131
Section 02: T/Th 11:00-12:15pm, Debartolo 131

Overview

This course aims to give you a solid understanding of macroeconomic theory. Whereas Principles of Macroeconomics is designed more to introduce concepts, in this course we will construct *models* that give us a deeper understanding of those concepts. We will cover long-run issues related to economic growth and cross-country differences in income, as well as short-run issues related to business cycles. While the primary focus will be on theory/models, we will look at data and evidence to help motivate our theories or to assess competing theories. We will also consider the implications of the theories for the decisions made by policymakers.

Regarding pre-requisites, you should have a principles-level understanding of both microeconomics and macroeconomics. Intermediate microeconomics, though not a formal pre-requisite, would be helpful for this course. Because our models will require mathematical tools, you should feel comfortable using elementary differential calculus and high school algebra.

Contact information & Office Hours

Email:	mpries@nd.edu
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Phone:	574-631-3046
Website:	http://www.nd.edu/~mpries

I will hold office hours in my office on Tuesdays between 2:00 p.m. and 3:30 p.m. If this time is not convenient, you may request a different time to meet with me. Outside of office hours, if you have questions about the course and need to contact me, I prefer that you use email to do so. I will try to respond promptly.

I will utilize Sakai to post course information, record grades, and make class announcements (which will also be sent via email). Of course, all announcements will be made in class as well, but you should check your email regularly throughout the semester to keep informed about reminders and clarifications.

Teaching Assistants

We will have two teaching assistants who will offer help/review sessions (attendance optional) and will assist me with grading problem sets, etc.

Julia Reyes (jreyes3@nd.edu) Office hours on Tuesdays at 8pm in 140 Debartolo
Will Stewart (wstewar3@nd.edu) Office hours on Wednesdays at 6pm in 140 Debartolo

Textbooks / Readings

The "textbook" that we will use for this course is an unpublished manuscript written by fellow ND econ prof, Eric Sims, and two former ND econ PhD students. The most up-to-date version can be found here:

https://www3.nd.edu/~esims1/gls_textbook.html

In class, I will give guidance on which chapters you should read to supplement my lectures. I may also occasionally assign articles (from newspapers, magazines, or academic journals) that I will expect you to read.

Requirements

Class Participation

Attendance is mandatory. Unless you have a legitimate excuse, you must attend class, arrive on time, and not leave early. This course will cover a lot of ground and it will be very difficult to keep up if you miss multiple lectures.

Before coming to class, you are expected to have read the assigned material so that you can respond to questions related to the readings. My lectures will be much more informative if you are already familiar with the material. If I feel that students are not prepared for class, I will give unannounced quizzes that will count for 5% of the final grade for the course (replacing 5 percentage points otherwise assigned to the midterms).

Problem Sets

There will be 10 problem sets. Together they will count for 20% of your final grade. They will be graded with three possible grades: check-plus, check, check-minus. These translate to scores of 100, 85, and 50. Your lowest score among all the problem sets will be dropped.

You may work (indeed, you are *encouraged* to work) in groups of up to four students on the homework assignments. If you work in a group, you can turn in one jointly written homework, but please make sure that the names of all group members legibly appear on the first page of the assignment. All group members will receive the same grade. The problem sets are the best preparation for the exam so it is in your interest to actively participate in solving each problem— free-riders will suffer come exam time.

The problem sets are difficult. After struggling with them first on your own, and then with your study group, TAs will be available in a classroom during the collaboration sessions to help you and your group work through homework questions. Your TAs have taken the course before and

understand the material really well. They can guide you through the hard parts, but won't give answers.

Midterm Exams

There will be two midterm exams, on February 13th (in 102 DeBartolo) and March 23rd (in 102 DeBartolo). The exams will be administered simultaneously for the two sections of the class, from 8:00am to 9:15am (these are official "departmental exams" and they take precedence over other commitments). Because these exams constitute two additional class meetings (we will still have our regular lecture on the days of the midterm exams), we may use them to make up for two other lectures that I may have to miss at other times during the semester due to travel. Each midterm will count for 25% of the final grade.

Final Exam

The final exam will count for 30% of the final grade. In accordance with the University exam schedule, it will be **Tuesday, May 5th**, from 1:45-3:45pm (in a location to be announced later). If you have a conflict with another final exam, please consult with me as early as possible, and we will make arrangements in accord with university guidelines.

Class Policies

Honor Code

Notre Dame students are expected to abide by [Academic Code of Honor Pledge](): "As a member of the Notre Dame community, I will not participate in or tolerate academic dishonesty." Students must not give or receive aid on exams. This includes, but is not limited to, viewing the exams of others, sharing answers with others, and making unauthorized use of books or notes while taking the exam.

Make-up Exams

You should make *every* effort to avoid needing a make-up exam. When a make-up exam is warranted (according to university guidelines), you must notify me of your excuse *without delay*.

If you also miss the make-up midterm exam (again for a legitimate, university-recognized reason), then the weight that would have been given to that exam will be assigned to the weight used for your final exam. If you miss one of the exams and are ineligible for a make-up exam, you will receive a zero score. In this case, you cannot choose to have the other exam weighted more heavily in order to adjust for the missed exam.

Extra Credit

There will be no opportunities for extra credit.

Re-grades

If you feel that your exam was incorrectly or unfairly graded, you have one week after the class in which it is returned to submit it for a re-grade. However, aside from easy cases of clear-cut mistakes (e.g. score added up incorrectly), when an exam is turned in for a re-grade, the entire exam will be re-graded and the scores for individual questions can be either *increased or decreased*.

Course Outline

We will cover following topics in roughly the following order:

i) Math preliminaries and motivating data/ideas (GLS: Appendix A, Chapters 1-3)
ii) Long-run economic growth (GLS: Chapters 4-8)
iii) Building blocks of short-run analysis (GLS: Chapters 9-16)
iv) Neoclassical model of business cycles (GLS: Chapters 17-21)
v) New Keynesian models of business cycles (GLS: Chapters 23-28)

Important Dates

(Please note that the following due dates for problem sets are subject to revision.)

January 14 (T)	First day of class
January 23 (Th)	Problem set 1 due
January 30 (Th)	Problem set 2 due
February 6 (Th)	Problem set 3 due
February 13 (Th)	First midterm (8:00-9:15am, 102 Debartolo)
February 20 (Th)	Problem set 4 due
February 27 (Th)	Problem set 5 due
March 5 (Th)	Problem set 6 due
March 7-15	SPRING BREAK
March 19 (Th)	Problem set 7 due
March 26 (Th)	Second midterm (8:00-9:15am, 102 Debartolo)
April 2 (Th)	Problem set 8 due
April 9 (Th)	Problem set 9 due
April 16 (Th)	No problem set due
April 23 (Th)	Problem set 10 due
April 28 (T)	Last class meeting
May 5 (T)	Final exam (1:45-3:45pm, location TBA)