

- Your **participation grade** will be based on three factors: contributions offered to classroom discussion, your performance while giving, and participation while listening to class presentations.
- **In-class Presentations:** To help break up my lectures on the textbook theory, a number of classes will be devoted to discussions of key macroeconomic issues and debates, each led by a panel of 3-4 students. Grades will be given to both the quality of your introductory presentation and your ability to keep discussion going throughout the class. Being on a panel entails
 - 1) Being familiar with the assigned reading
 - 2) Looking for other sources (e.g., *The Economist*, *The New York Times*, articles, etc.) for data, background, and ideas to present to the class.
 - 3) Giving a group presentation on the subject (under 15 minutes)
 - 4) Helping provoke a class discussion of the issue with ideas / questions / facts / etc.
 (A good way to promote discussion might be for the panel folks to divide up and take different “viewpoints” on the issue, to keep discussion lively).
- **Exams:** The midterm exam will cover the first half of the course, while the final exam will focus principally on the second half of the course. However, mastery of the first half material will be assumed, and may be required to answer questions in the final.
- **Research paper:** This is a short (6 – 10 pages double-spaced) paper in which you analyze a macroeconomic topic you find interesting. This could be, for example, a current political issue such as the Bush tax cuts, increasing military spending, social security reform, the effects of rising U.S. inequality, the trade deficit, the impact of the war on terrorism or of the effect of the internet on economic growth. But the topic can be on anything you like related to macroeconomics, but it should involve both a clear question and an attempt to answer it. Using data to answer your question – either in statistics or in tables and/or graphs – is strongly encouraged.

A good paper takes time to research and write, so you should try to get started in a few weeks with an idea. Since procrastination is a given among college students, here are three deadlines:

- By September 30: state a question (one sentence), then say how you intend to answer it.
- By October 30: one page outline of the paper, with a bibliography (at least 5 sources, no more than 3 can be from the internet)
- Paper due: last day of class.

Readings: The principal text for this course will be

- Blanchard, Oliver. *Macroeconomics* (4th edition). (Prentice Hall)(denoted by “**M**”)

To flesh out the material in Blanchard, we will also reading parts of two “popular” economics books:

- Stiglitz, Joseph. *The Roaring Nineties* (Norton) (denoted by “**RN**”)
- Krugman, Paul. *The Accidental Theorist*. (Norton). (denoted by “**AT**”)

Course Schedule

Week 1	Tues 8/29	Introduction to the class <i>Review:</i> RN , Preface & AT , Introduction
	Thur. 8/31	Introduction to Macroeconomic Theory Read: RN , Chapter 1; AT , pp. 18-27 <i>Review:</i> M Chapters 1 & 2

MACRO IN THE *LONG-RUN*: THE ECONOMICS OF GROWTH IN SUPPLY

Week 2	Tues. 9/5	An Introduction to the Long-Run Read: M Chap. 10;
	Thurs. 9/7	The Neoclassical (or Solow) Growth model of Capital Accumulation Read: M Chap. 11
Week 3	Tues. 9/12	Technology, Labor Productivity, and the role of the Government Read: M Chap. 12; AT , Part 4 (pp. 97-134)
	Thurs. 9/14	Panel #1 : Are we in a “New Economy”? Read: RN , Chapter 8 <i>Assignment #1 due</i>

THE *SHORT-RUN* ECONOMICS OF AGGREGATE DEMAND (FIXED PRICES ASSUMED)

Week 4	Tues. 9/19	National Income Accounting ($Y = C+I+G+NX$) Read: M Chap. 3, AT , pp. 28-38.
	Thurs. 9/21	Financial Markets Read: M Chap. 4, AT , pp. 66-70.
Week 5	Tues. 9/26	The IS/LM Model Read: M Chap. 5
	Thurs. 9/28	Monetary & Fiscal Policy Read: AT , pp. 41-65; RN , Chapters 2 and 3 <i>Assignment #2 due; Paper proposals due</i>
Week 6	Tues. 10/3	Panel #2 : U.S. Fiscal Policy: Tax Cuts or Deficits? Read: AT , pp.167-178, pp.43-65, RN Chapter 7; <i>Economic Report of the President, 2006, Chapter 5</i>
	Thurs. 10/5	Review
Week 7	Tues. 10/10	** READING DAY **
	Thurs. 10/12	Mid-term Exam

THE *MEDIUM-RUN* ECONOMY (ALLOWING FOR PRICE INFLATION. . .)

Week 8	Tues. 10/17	Factor Markets, Unemployment, and Aggregate Supply Read: M Chap. 6
	Thurs. 10/19	Medium-Run Equilibrium: AS & AD model Read: M Chap. 7
Week 9	Tues. 10/24	Monetary Policy, Credibility , & The Phillips Curve Read: M Chap. 8 & pp.514-18;

