Course Information

Lecture Time: 5:00-6:15pm T R Place: MM 216
Office: 517-K Jenkins Building
Phone: (305) 284-1627
Office Hours: 3:30pm-4:30pm T; or by appointment
E-mail: nakin@exchange.sba.miami.edu
Class Home Page: http://moya.bus.miami.edu/~nakin

Teaching Assistant: Ms. Rossi Puzey (rpuzey@gmail.com)
Office: 523-A Jenkins Building
Office Hours: W, 9:00-11:00am

- I will respond to the e-mails the same day provided I receive them by 4:00 pm. Questions regarding homeworks must be asked during office hours.

- Please check your e-mail regularly as it will be the main means of communication between the instructor and the students outside of class. You may be notified and responsible of any changes or updates to the class schedule via e-mail.

Course Objective

In this course, you are going to learn some basic tools for macroeconomic analysis. In the first part of the course, we are going to define and get familiar with some variables such as inflation, national product and unemployment. We will learn how these variables are measured and reported. Then, we will work with some static theoretical models, which help to explain how output, prices and unemployment are determined at each point in time.

The second half of the course will concentrate on dynamic macro models, which help to explain how output, prices and unemployment change over time. We will take a closer look at the main determinants of economic growth and try to answer some crucial questions: Why are some countries poor and the others are rich? Is it possible for the poorer economies to converge to the wealth of the richer?

This course aims to provide you with skills essential for the study of higher-level courses, such as Economic Development and Growth, International Economics, Monetary Economics.

Textbook

The required textbook for this course is Macroeconomics, by Roger E. A. Farmer, South-Western College Publishing, Second edition.

**Course Requirements**

**Prerequisites**

ECO 211 AND 212 (both semesters of Economic Principles and Problems). Please make sure that you have successfully completed these courses **BEFORE** taking Eco 301. I expect you to be familiar and fluent with introductory calculus, introductory micro and macroeconomics. Modern Macroeconomic Theory requires strength in analytical and algebraic skills. So, please make sure that you satisfy these requirements if you are taking this course.

**Attendance**

Class attendance is mandatory. My experience as an instructor and as a student shows that there is a significant positive relationship between attendance and grades. I will get your name and signature at the beginning of each class. If you are absent due to an urgency such as a medical need, you need to bring me a written proof such as a signed letter from a doctor.

**Homework Assignments**

There will be five homework assignments. Assignments will be posted on my web-page [http://moya.bus.miami.edu/~nakin/](http://moya.bus.miami.edu/~nakin/), one week before the due date. Homeworks will be assigned on Thursdays and will be due the following Thursday. You can also find answer keys on the web the day after the homework is due.

**Guidelines for Homeworks:**

• Homework assignments must be submitted at the start of the lecture on the due date. Late submissions will **not** be accepted under any circumstances.
• Homeworks **must** be stapled and questions must be answered in the order they are assigned. **10%** of your grade will be deducted if you do not obey this rule.
• Make sure to put your name and class number on your assignment.
• Do not drop your homework at the Economics Main Office or in my mailbox.
• You must turn in your own work for homework assignments although you can work together. Identical (or essentially similar) assignments will all receive a grade of zero. Make sure to acknowledge the contribution of others by putting their names on top of your answer sheet. For example, you can write: “I worked with Aaron Brown.”

**Examinations**

There will be two midterm exams and one final exam.

**Examination dates:**

• Midterm 1: 02/25/2010, Thursday, during regular class time. (tentative*)
• Midterm 2: 04/08/2010, Thursday, during regular class time. (tentative*)
• Final: 05/11/2010, Tuesday, 5:00 - 7:30pm, in class. (officially scheduled)

*The midterm exam dates can be changed due to unexpected events, such as a hurricane. In such a case, if the university is officially closed, we will reschedule the exam. I will notify you of such a change by sending an e-mail to the class list.
* You must take the final exam according to the University rules.

Make-up exams:

• There will be no make-up exams for the midterms, except for absences due to university-sponsored events. A formal, written documentation must be presented before the exam in such a case. For all other absences, the missed exam will count as your “lowest scored-exam” and thus will be dropped at the end of the semester. Note that one and only one exam score will be dropped. Note that this is in line with the University of Miami’s policy for make-up exams. You can refer to your undergraduate bulletin for more information (Look under the section “class attendance and absences.”).
• You may take a make-up exam for the final only if you have documentation of a medical emergency, you have another exam at the same time, or three exams within a 16-hour period, or in the case of an absence due to university sponsored events. The date for the make-up final will be announced later.

Grading Criteria

The weights for the final score will be as follows:

Homework assignments: 25%
Midterm 1: 25%
Midterm 2: 25%
Final exam: 25%
Final exam: 25%

Note that the final exam counts twice. At the end of the semester, the lowest of the four exam scores (Midterm 1, Midterm 2, Final, Final) will be dropped. For example, if your lowest score is the final, then it will count as 25% of your overall grade.

Grading Scale

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<tr>
<th>Percentage</th>
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<tbody>
<tr>
<td>92-100</td>
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<tr>
<td>90-91</td>
<td>A-</td>
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<td>60-67</td>
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<td>0-59</td>
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I reserve the right to lower the cutoffs.
If you are taking the class on a Pass/Fail basis, you must get at least a C- for a “Pass.” Incomplete will only be given under exceptional circumstances. Any kind of emergency has to be documented to receive an “I”. Doing poorly in the course will not be considered a valid reason. If you wish to receive an “I” for the course, you must discuss this with me before the final exam.

**Tentative Timetable**

**Week 1-2:** Review of Mathematical Tools: Calculus and optimization. (HW 1 assigned)

**Week 3:** Definition and measurement of main macroeconomic variables. (HW 1 due)

**Week 4:** The classical approach to aggregate supply and aggregate demand: The theory of aggregate supply, the classical theory of the price level. (HW 2 assigned)

**Week 5:** Saving and Investment in the Overlapping generations framework. (HW 2 due)

**FIRST MID-TERM EXAM**

**Week 6:** The modern approach to aggregate supply and aggregate demand: Unemployment; the new-Keynesian theory of aggregate supply.

**Week 7:** The demand for money, supply of money and monetary policy. (HW 3 assigned)

**Week 8:** Monetary and fiscal policy in the IS-LM framework. (HW 3 due)

**Week 9:** The open economy. (HW 4 assigned)

**Week 10:** The open economy (continued). (HW 4 due)

**SECOND MID-TERM EXAM**

**Week 11:** Dynamic Macroeconomics: The Neoclassical growth theory.

**Week 12:** The Neoclassical growth theory continued. (HW 5 assigned)

**Week 13:** Endogenous growth theory. (HW 5 due)

**FINAL EXAM**