

Fall 2006

Economics 1110  
INTERMEDIATE MACROECONOMICS

S. Husted

This is a course in intermediate level macroeconomics. Macroeconomics is the study of the behavior of economic aggregates such as national income, the unemployment rate, the rate of inflation, and the rate of economic growth. In this course, we will build and analyze a set of models that will help you to understand the behavior of these and other measures of the macroeconomy as well providing a clearer understanding of how various markets interact to determine this behavior. Students are expected to have taken principles of economics (Econ 1010 and Econ 1011 or their equivalents). Introductory calculus is also a prerequisite, but it will not be used extensively in lectures or other elements of the course.

**Office:** 4508 Posvar Hall

**Phone:** PH: 648-1757 (or 648-1730)

**Web:** <http://www.pitt.edu/~husted1/husted1.htm>

**Office Hours:** W 1-3 p.m. or by appt.

**E-Mail:** [husted1@pitt.edu](mailto:husted1@pitt.edu)

**Undergraduate Teaching Assistant:** Jeff Ernsthausen ([ije8+@pitt.edu](mailto:ije8+@pitt.edu))

**Online course materials:** All materials for this course can be found on the CourseWeb site at <http://courseweb.pitt.edu/>.

**Required Text:** N. Gregory Mankiw, *Macroeconomics*, 6<sup>th</sup> ed., Worth Publishers, 2007.

**Helpful Web Sites:**

ARGMAX at <http://www.argmax.com/news.php>

Financial Times website at <http://www.economist.com/index.html?premium=1>

CEA-JEC, *Recent Economic Indicators* at: <http://www.gpoaccess.gov/indicators/browse.html>

See also these economics blogs:

Brad DeLong at [http://www.j-bradford-delong.net/movable\\_type/](http://www.j-bradford-delong.net/movable_type/)

Angry Bear at <http://angrybear.blogspot.com/>

Mark Thoma at <http://economistsview.blogspot.com/>

James D. Hamilton at <http://www.econbrowser.com/>

David Altig at <http://macroblog.typepad.com/macroblog/>

N. Gregory Mankiw at <http://gregmankiw.blogspot.com>

Marginal Revolution at <http://www.marginalrevolution.com/marginalrevolution/>

The first three are slightly to the left, the fourth one is neutral, and the last three are slightly to the right.

**Grading Policy:** Daily Quizzes: 20%<sup>1</sup>  
Midterm #1 20% (to be given Thursday, September 28)  
Midterm #2 30% (to be given Thursday, November 2)  
Midterm #3: 30% (to be given Thursday, December 7)

**Homeworks:**

Every week I will suggest a few homework exercises related to the topic that is being studied in class. It is

---

<sup>1</sup> Grade based on the best 20 (out of 25) scores. Bonus grade awarded to students with 23 or more scores.

your responsibility to try to solve the exercises. You do not have to hand in the homework. The homeworks will not be graded, and complete answer keys will not be provided. I will solve some of the exercises during class. Also, we will have special review sessions where you can discuss these problems with your classmates and see how the problems can be solved. During these sessions and during class you can ask specific questions about the exercises. You should come to class, ask me questions on the exercises, and/or discuss them with your classmates. This is important, because these exercises will be included in the exams.

**Course Outline:**

Introduction Chapters 1 & 2

*Long run relationships in the macroeconomy*

The Goods Market Chapter 3

Money and Inflation (omit Appendix) Chapter 4

Unemployment Chapter 6

*Midterm 1<sup>2</sup>*

*Business cycles: The macroeconomy in the short run*

Introduction Chapter 9

IS-LM model Chapters 10 & 11

Unemployment & Inflation Chapters 12

*Midterm 2*

Growth Chapters 7 & 8

Policy Debates Chapters 14 & 15

*Midterm 3*

---

<sup>2</sup> Note that each midterm will focus only on the material assigned in that section of the course outline, although you may need to apply models learned in previous sections in order to get full credit on your answer.