

Fall 2012

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 national unemployment rate, the rate of inflation, and the rate of economic growth. In this course, we will focus attention on the magnitudes and patterns of behavior of these phenomena and then build and analyze a set of models that will help you to understand why and how this behavior takes place. Students are expected to have taken principles of economics (Econ 0110 and Econ 0111 or their equivalents). Introductory calculus is also a prerequisite; it will be used occasionally but not extensively in lectures and other elements of the course.

Office: 4508 Posvar Hall

Office Hours: W 10-12 p.m. or by appt.

Phone: PH: 412-648-1757 (or 412-648-1730)

E-Mail: husted1@pitt.edu

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

Undergraduate Teaching Assistant: Michael Wooley (wmw5@pitt.edu)

Online course materials: All materials for this course can be found on the CourseWeb site at <http://courseweb.pitt.edu/>. Please be sure to check this site regularly. Quiz scores will be posted after each quiz. Links to additional reading materials will be posted as they appear in the news.

Required Text: Kevin D. Hoover, *Applied Intermediate Macroeconomics*, Cambridge University Press, 2012

Helpful Web Sites:

[Textbook web site](#)

Bloomberg.com [Economic Calendar](#)

[Financial Times](#) (note: full access to this site requires a subscription)

[The Wall Street Journal](#) (note: full access to this site requires a subscription)

Government Printing Office, [Economic Indicators](#)

Council of Economic Advisers, [Economic Report of the President](#)

St. Louis Fed, [Fred data base](#)

Many economists now post comments on economic events and policy on a regular basis, and I encourage you to check one or more on a regular basis. Some examples of economics blogs include the following:

Paul Krugman, [The Conscience of a Liberal](#)

Mark Thoma, [Economist's View](#)

James D. Hamilton and Menzie Chinn, [Econbrowser](#)

David Altig, [macroblog](#)

Tyler Cowen and Alex Tabarrok, [Marginal Revolution](#)

The first two are slightly to the left, the third is neutral, and the last two are slightly to the right.

Grading Policy: Daily Quizzes:	10% ¹	
Homeworks:	20%	
Midterm #1	20%	
Midterm #2	20%	
Final:	30%	(Monday December 10, 2012 2-3:50 p.m.)

¹ Grade based on the best 21 (out of 26) scores. Bonus grade awarded to students with 23 or more quiz scores.

Homeworks:

At least every other week I will suggest a number of homework exercises related to the topic that is being studied in class, and these exercises will be very similar to many of the questions found on the exams. It is your responsibility to try to solve the exercises. These homeworks will be collected on pre-announced due dates (electronic submissions will NOT be accepted). The homework questions will be graded according to the following formula. Completed questions will earn 5 points, regardless of whether or not the answers are completely correct. Partially completed questions will be awarded 2 points. Unanswered questions earn 0 points. **Late assignments will not be accepted and will also earn 0 points.** Answer keys will not be provided although I will be happy to solve any or all of the exercises during class after the due date. Also, I will offer several special review sessions and office hours where you can discuss these problems with me and/or the TA to see how the problems can be solved. During these sessions and during class you may ask specific questions about the exercises. You should come to class, ask me questions on the exercises, and/or discuss them with your classmates. In addition, feel free to work with your classmates on these problems, although **you must each turn in a completed assignment in order to earn credit for the homework.** Photocopied submissions of assignments done by others will not be accepted.

Course Outline ^{2,3}:

Introduction to Macroeconomics	Chapter 1 (skim)
GDP	Chapters 2 & 3
Trends & Cycles	Chapter 5
Aggregate Production	Chapter 9
The Financial System	Chapter 6
Interest Rates	Chapter 7 (include the appendix)

Midterm 1

Thursday October 4

Labor Market Behavior	Chapters 11&12 (stop at §12.3.2)
Aggregate Demand	Chapter 13 (omit §13.4)
Output and Inflation Dynamics	Chapter 15
Monetary Policy	Chapter 16 (stop at §16.6)
Fiscal Policy	Chapter 17

Midterm 2

Thursday November 15

Economic Growth	Chapter 10
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Final Exam

Monday December 10, 2012 2-3:50 p.m.

Notes:

- (1) **Make-up exams will be allowed only under extreme circumstances, such as illness. In order to schedule a make-up exam you must notify me prior to the exam and provide a written note from your doctor.**
- (2) **G grades are given only in emergencies and only to students who have been doing satisfactory work. Requests for G grades must be in writing.**
- (3) **The use of cell phones for any reason, INCLUDING TEXTING, during class will not be tolerated. Please turn your phone off before class begins.**

² The midterm and final exam dates are written in stone, but I may choose to alter the chapter assignments (or omit chapters entirely) depending upon how long it takes to cover essential material. Changes to the syllabus (if any) will be posted on CourseWeb.

³ Class will not meet on Tuesday October 9.