

Spring 2010

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 0110 and Econ 0111 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

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

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**Graduate Teaching Assistant:** Yeol Yung Sung ([yys2@pitt.edu](mailto:yys2@pitt.edu)) 4515 Posvar Hall

**Undergraduate Teaching Assistant:** Stephen Petraney

**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:** Charles I. Jones, *Macroeconomics*, W.W. Norton, 2010<sup>1</sup>

**Helpful Web Sites:**

*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>

*Economic Report of the President* at: <http://www.whitehouse.gov/cea/erp06.pdf>

See also these economics blogs:

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

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

James D. Hamilton and Menzie Chinn 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 two are slightly to the left, the third is neutral, and the last three are slightly to the right.

**Grading Policy:** Daily Quizzes: 10%<sup>2</sup>  
Homeworks: 10%  
Midterm #1 20%  
Midterm #2 20%  
Final: 40% (Friday April 30, 2010 2-3:50 p.m.)

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<sup>1</sup> Many of you may have the 2008 edition. Either will be fine for the course.

<sup>2</sup> Grade based on the best 22 (out of 27) scores. Bonus grade awarded to students with 25 or more 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 2 points, regardless of whether or not the answers are completely correct. Partially completed questions will be awarded 1 point. Unanswered questions earn 0 points. **Late assignments will 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 either of the TAs 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.

## Course Outline:

Introduction	Chapter 1
Measuring the Macroeconomy	Chapter 2
The Labor Market	Chapter 7
Inflation	Chapter 8
The Macroeconomy in the Short Run	
Introduction	Chapter 9
The IS Curve	Chapter 10
Monetary Policy	Chapter 11
<b>Midterm 1</b>	<b>Thursday February 18, 2010</b>
AS/AD Modeling	Chapter 12
Fiscal Policy	Chapter 15
The Global Financial Crisis	Chapters 13&14 <sup>3</sup>
	SF Fed Reserve <i>Crisis and Response</i>
	<a href="http://www.frbsf.org/econanswers/portal.htm">http://www.frbsf.org/econanswers/portal.htm</a>
<b>Midterm 2</b>	<b>Thursday March 25, 2010</b>
Growth	
Introduction	Chapter 3
The Solow Model	Chapters 4&5
The Romer Model	Chapter 6
<b>Final Exam</b>	<b>Friday April 30, 2010 2-3:50 p.m.</b>

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<sup>3</sup> Not included in the 2008 edition. Copies may be downloaded from the Course Documents section of CourseWeb.