

Macroeconomics

Course Syllabus - Preliminary Version (November 2017)

***Disclaimer:** This syllabus is preliminary and might be subject to changes before and during the class. Please refer to BCWEB for the most up-to-date version.*

Instructor

Federico Rossi

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Class Time & Office Hours

Wednesday 8:30-10:30 AM. Office hours: Tuesday 5-7 PM.

Course Description

This course provides an overview of macroeconomic issues. We will develop frameworks to understand the determinants of aggregate output, unemployment, inflation, prices and long-run growth. We will discuss how different policies can be used to affect macroeconomic conditions. We will use the material to interpret various countries' historical experiences and the current policy debate.

Textbook

N. Gregory Mankiw, "Macroeconomics," 9th edition.

Exams

There will be a midterm exam and a final exam. The midterm will cover the material for the first half of the course, while the final will cover the whole course. Both exams will be closed book.

There will be no rescheduling. Absences from an exam will result in a grade of zero for the calculation of the final grade, unless serious medical reasons are properly documented.

Problem Sets

I will regularly assign problem sets, due the following week in class. Solutions will be posted online after each class.

Problem sets are a crucial part of the preparation for the exams, and count towards the final grade as detailed below. You are encouraged to work in groups, but each student must submit her/his own independent answers.

Grading

- 30%: Midterm
- 60%: Final
- 10%: Problem Sets

SAIS Honor Code

In all courses and all student activities at SAIS, students are expected to adhere to the rules and spirit of the school's Honor Code, which are detailed in the SAIS Academic Procedures Manual (Redbook) and posted on-line. In this course, although it is certainly acceptable for students to study together, homework assignments should be completed independently unless they are specifically designated as group assignments. Unless otherwise specified, all examinations are "closed book", meaning that no notes may be used during the examination nor may outside sources be consulted during the exam. Violation of the Honor Code in an assignment or activity will almost invariably result in failing that assignment and possibly more severe sanctions, including but not limited to course failure, depending on the specific circumstances.

Topics

PART I: INTRODUCTION TO MACROECONOMICS

Topic 1. Macro Data and Macro Facts

Required Readings: Chapters 1 and 2

Topic 2. National Income: Where It Comes From and Where It Goes

Required Readings: Chapter 3, Chapter 16

Topic 3. The Money Market and the Labor Market

Required Readings: Chapters 4, 5, and 7

PART II: THE ECONOMY IN THE LONG RUN

Topic 4. The Solow Model

Required Readings: Chapter 8

Topic 5. Endogenous Growth: Technological Progress and Policy

Required Readings: Chapter 9

Midterm Exam: Monday 12th March, 10:30 AM (Auditorium)

PART III: THE ECONOMY IN THE SHORT RUN

Topic 6. Introduction to Economic Fluctuations

Required Readings: Chapter 10

Topic 7. The IS-LM Model

Required Readings: Chapters 11 and 12

Topic 8. The Tradeoff Between Inflation and Employment

Required Readings: Chapters 14 and 15

PART IV: MACROECONOMIC POLICY

Topic 9. Stabilization Policy

Required Readings: Chapter 18

Topic 10. Government Debt and Budget Deficit

Required Readings: Chapter 19

Topic 11. The Financial System

Required Readings: Chapter 20