

Intermediate Macroeconomics

INSTRUCTOR: Yahya Alshamy
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OFFICE HOURS: By appointment

ECON 311-004
Spring 2023
Enterprise Hall 274
TR: 3:00 – 4:15 PM

“Why Are Some Countries Rich, While Others Are Poor?”
“What Explains Fluctuations in Economic Productivity?”

1. COURSE DESCRIPTION

This course explores the two biggest questions of macroeconomics. The first is Adam Smith’s seminal question: Why are some nations rich and other nations poor? You likely noticed that this is written in larger font than the second question. This is because this is *the* question that motivated the study of economics, and the most important macroeconomics question. The other crucial macroeconomics question is: “What Explains Fluctuations in Economic Productivity?” This expands into: why are there recessions and depressions? What causes unemployment? How does the monetary system work? We will follow the development of macroeconomic thought and focus on how each school of thought responded to those that came before it.

The aim of the course is to familiarize students with the history of macroeconomic thought and the technical elements of macroeconomic theories. Upon successfully completing this course, you will learn: (1) the data and analytical framework that macroeconomists use to study the production and allocation of output in both open and closed economies; (2) the most relevant and important models of economic growth, as well as the most prominent theories explaining economic growth. (3) the most relevant models and theories explaining fluctuations in economic productivity (4) how to use the aggregate demand and supply model to analyze how the economy adjusts in the short and long-run under alternative theories of the business cycle; (5) the alternative perspectives on stabilization policy and government deficits and debt that emerge from these different theories.

2. PREREQUISITES AND EXPECTATIONS

I assume that you have successfully completed the following prerequisites for this course: ECON 103 and ECON 104. Additionally, I assume that you have a grasp of algebra. If you need to review any of these topics, I recommend that you use [Marginal Revolution University](#); it will offer a more-than-sufficient background for our class.

I also expect that you will treat your fellow classmates with respect, even if you disagree with them. All viewpoints are welcome in my class; however, no ideas are immune from scrutiny and debate. Additionally, please refrain from distracting behavior, like side conversations and using electronic

devices for unrelated activities as these are disrespectful to me and your classmates. As such, I only permit the usage of computer devices in my class for the purpose of taking notes and researching content related to the class.

Regular attendance is essential to successfully completing this course, as much of the material you will be tested on is based on lectures. As such, I expect you to attend all of the lectures. If you need to miss a class, it is your responsibility to obtain all lecture notes and assignments from one of your classmates.

3. READING MATERIALS

There is one required textbooks for this course:

- Mankiw, N. G. (2022). *Macroeconomics* (11th edition).
- Snowdon, Brian and Howard Vane (2005). *Modern Macroeconomics: Its Origins, Development, and Current State*.

While the Mankiw (2022) book is required, buying an earlier edition is perfectly acceptable. I will be designing lectures, quizzes, and exams based on the 10th edition, but earlier editions should largely have the same content. However, it is important to note that the order of chapters changed between the ninth and tenth editions, so you should exercise care if you choose to use an earlier edition. Mankiw's textbook has long been the bestselling macroeconomics textbook on the market. While it is not perfect, it gives an excellent overview of macroeconomic science. Additionally, I will be providing access to selections from chapters of Snowdon and Vane's (2005) *Modern Macroeconomics* and all other required journal articles that we will be using in this course on Blackboard.

4. EVALUATION AND GRADING

Your grade in this course consists of daily quizzes, four problem sets, and two exams.

Assignments (4)	40%	
Midterm Exam	25%	3:00 – 4:15 PM; March 9, 2023.
Final Exam	35%	1:30 – 4:15 PM; May 11, 2022.

Problem sets will consist of end of chapter problems from Mankiw as well as questions related to topics and models presented in class lectures. Late assignments will not be accepted without prior arrangements strictly under extraordinary circumstances.

In accordance with University policy, if you have three or more exams on the date of the final examination, you may reschedule it. To do so, you must contact me **no less than one week** prior to the final examination. There will not be any make-up exams – no exceptions. There will be an opportunity for extra credit after the midterm exam. I will provide details about the assignment then.

Grading will be done according to the general grading scale:

- 97 - 100: A+
- 93 - 96: A
- 90 - 92: A-
- 87 - 89: B+
- 83 - 86: B
- 80 - 82: B-
- 77 - 79: C+
- 73 - 76: C
- 70 - 72: C-
- 60 - 69: D
- 59 and below: F

5. SCHEDULE OF TOPICS, ASSIGNMENTS, AND EXAMS

<u>Date</u>	<u>Topic</u>	<u>Readings</u>
01/24	Syllabus, Intro to Macro	Syllabus
01/26	The Science of Macroeconomics I	SV: Ch. 1
01/31	The Science of Macroeconomics II	Mankiw: Ch. 1
02/02	The Data of Macroeconomics	Mankiw: Ch. 2
02/07	National Income	Mankiw: Ch. 3
02/09	The Open Economy	Mankiw: Ch. 6
02/14	Economic Growth I	Mankiw: Ch. 8 <i>Assignment 1 is due!</i>
02/16	Economic Growth I	Mankiw: Ch. 8
02/21	Economic Growth II	Mankiw: Ch. 9
02/23	Contemporary Research on Growth	SV: sections 11.1-11.6, 11.18-11.22
02/28	Institutions and Growth	
03/02	Foreign Aid and Intervention	
03/07	MIDTERM REVIEW	
03/09	MIDTERM EXAM	

03/14	<u>SPRING RECESS</u>	
03/16	<u>SPRING RECESS</u>	
03/21	The Monetary System	Mankiw: Ch. 4 <i>Assignment 2 is due!</i>
03/23	Inflation	Mankiw: Ch. 5
03/28	Business Cycles	Mankiw: Ch. 10
03/30	Aggregate Demand I	Mankiw: Ch. 11
04/04	Aggregate Demand II	Mankiw: Ch. 12
04/06	Mundell-Fleming Model	Mankiw: Ch. 13
04/11	Monetarism	McCullum (2018)
04/13	Austrian Capital Theory	SV: sections 9.1-9.4 <u>Garrison (2013) lecture</u>
04/18	<u>CLASS CANCELLED</u>	
04/20	Austrian Business Cycle	SV: sections 9.5-9.13 <i>Assignment 3 is due!</i>
04/25	Perspectives on Stabilization Policy	Mankiw: Ch. 16
04/27	Government Debt and Budget Deficits	Mankiw: Ch. 17
05/02	FINAL EXAM REVIEW	
05/11	FINAL EXAM	<i>Assignment 4 is due!</i>

6. ADDITIONAL INFORMATION

A. Important dates:

- Last day to add classes: **January 30, 2023.**
- Last day to drop with no tuition penalty: **February 6, 2023.**

B. Communication

I will be emailing students at their GMU email addresses if updates to the class schedule and assignments are needed. GMU email address. Students are responsible for checking this email regularly. *Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.*

C. Academic Integrity

It is expected that students adhere to the George Mason University Honor Code related to integrity regarding coursework and grades. The Honor Code reads as follows:

“To promote a stronger sense of mutual responsibility, respect, trust, and fairness among all members of the George Mason University community and with the desire for greater academic and personal achievement, we, the student members of the University Community have set forth this: Student members of the George Mason University community pledge not to cheat, plagiarize, steal and lie in matters related to academic work.”

More information about the Honor Code, including definitions of cheating, lying, and plagiarism, can be found at the Office of Academic Integrity website -- <https://oai.gmu.edu/mason-honor-code/>.

D. Special Needs and Disability Services

Students with disabilities who seek accommodations must be registered with the GMU’s Disability Services (see <http://ds.gmu.edu/>). If you require accommodations, please see me in person as soon as possible to discuss the specifics.

E. Interpersonal Violence Reporting

George Mason University is committed to providing a learning, living and working environment that is free from discrimination and a campus that is free of sexual misconduct and other acts of interpersonal violence in order to promote community well-being and student success. We encourage students who believe that they have been sexually harassed, assaulted or subjected to sexual misconduct to seek assistance and support. [University Policy 1202: Sexual Harassment and Misconduct](#) speaks to the specifics of Mason’s process, the resources, and the options available to students.

Notice of mandatory reporting of sexual assault, interpersonal violence, and stalking: As a faculty member, I am designated as a —Responsible Employee, and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1412. You may seek assistance from Mason’s Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.