

## Intermediate Macroeconomics

---

ECON 311.001, Spring 2017  
Tuesdays & Thursdays, 9am—10:15am  
B111 Robinson Hall

**Instructor:** Jay Cochran  
**Office:** D151 Mason Hall  
**Office Hrs:** Tues/Thurs 11am to 2:45pm  
**Email:** [jcochra1@gmu.edu](mailto:jcochra1@gmu.edu)  
**Website:** [http://mason.gmu.edu/~jcochra1/index\\_files/Macro.htm](http://mason.gmu.edu/~jcochra1/index_files/Macro.htm)  
**Phone:** (email is best)

### Textbook & Supplemental Readings

---

N. Gregory Mankiw. (2016), *Macroeconomics, 9<sup>th</sup> Edition*, New York: Macmillan Publishers. [ISBN 1464182906] A companion study guide is available and recommended, but not required. The 8<sup>th</sup> edition is also acceptable but you are responsible for mapping the chapters to the syllabus if you use the 8<sup>th</sup> edition.  
Dewey, Donald (1963), "[The Geometry of Capital and Interest: A Suggested Simplification](#)," *The American Economic Review* 53 (1), pp. 134-139.  
Hayek, F. A. (1945), "[The Use of Knowledge in Society](#)," *The American Economic Review* 35 (4), pp. 519-530.

### Course Objective

---

To develop an understanding of aggregate economic accounts, including measurement of national income; the determinants of levels of income and output; and the causes and solutions for problems of unemployment, inflation, and economic growth.

### Course Prerequisites

---

ECON 103 (Microeconomic Principles) and ECON 104 (Macroeconomic Principles)

### Course Readings

---

Keep up with the textbook readings. There are useful blogs listed on my web page for this course. For best results, read the assigned readings before class. Two supplemental readings (Dewey and Hayek) are also included.

### Grading

---

Grades are based on 3 homework assignments, 2 in-term exams, 1 short essay, and a final exam (given during the time listed in the *Schedule of Classes*). These are weighted for your final grade as follows:

(3) Homework Assignments (5% each)	15%
(1) Short Essay	10%
(2) In-Term Exams (25% each)	50%
Final Exam (not comprehensive)	25%

Assignments are due at the beginning of class on the due date. Late assignments assessed one letter grade penalty per calendar day (or fraction) late. If I have to print out your assignment(s), you are imposing a cost on me for which there is a one letter grade penalty each time you impose this cost. There are no extra credit assignments.

### Homework

---

The (3) homework assignments are designed to help you understand and apply the important concepts of the course. You may work in groups to solve the homework, but each student must turn in his or her own copy of the assignment to receive credit.

### Essay

---

A 500-word essay is due near the end of the semester. More information on the essay and grading criteria below.

### Exams

---

Exams are typically true/false, multiple choice, and problems/short-answer and questions are based on the assigned readings and class lectures. You'll need a Scantron answer sheet, a calculator, and pencil for each exam. There are no make up exams.

### Disability Resource Center

---

If you are a student with a disability who needs academic accommodation, contact the Office of Disability Services at 703.993.2474 or <http://ods.gmu.edu>. Any accommodations must be arranged in advance through that office.

## Attendance

Attendance is not mandatory; however, as an adult, you know you'll do better if you attend class regularly. In addition, some material in class is not found in the textbook. For more tips on semester success, click the "Tips" link on the course page. Electronic recording of class lectures is NOT permitted.

## Honor Code

Students are expected to know and to follow the George Mason University Honor Code.

## Revised Course Outline\*

	2017 Dates*	Topics	Mankiw Chapter*
Long-Run, Classical Model	1.23	<b>Introduction &amp; Course Overview</b>	1
	1.26—2.2	<b>National Income and Product Accounting (NIPA)</b> —Measuring the Wealth of Nations and other Macro Aggregates ( <b>Last Day to Add: 1.30</b> )	2**
	2.7—2.10	<b>(Y) Productivity, Output, and Employment</b> —Production and Distribution of the Wealth of Nations	3
	2.14—2.16	<b>(C) Consumption</b> —Further Consideration of Household Decisions to Spend & Save ( <b>HW#1 Due 2.16</b> )	16
	2.21	<b>(I) Investment</b> —The Capitalists' and Entrepreneurs' Decisions to Save and Invest and the real interest rate	17 & Dewey
	<b>2.23</b>	<b>1<sup>st</sup> IN-TERM EXAM</b> Last Day to Drop: 2.24.2017	
Short-Run Models	2.28—3.2	<b>Money</b> —Basics of Money Supply & Money Demand	4
	3.7—3.9	<b>Inflation</b> —How money, spending, and output affect price levels	5 & pp. 327-330
	<b>3.13—3.19</b>	<b>SPRING BREAK</b>	
	3.21—3.23	<b>Unemployment</b> —Clearing the labor market through "L" rather than "w"	7
	3.28—3.30	<b>Business Cycles</b> —Shorter-run patterns of boom or bust in the Wealth of Nations. ( <b>HW#2 Due 3.28</b> )	10
	<b>4.4</b>	<b>2<sup>nd</sup> IN-TERM EXAM</b>	
Very Long-Run & Policy	4.6—4.13	<b>Macroeconomic Growth I</b> —Why are some nations wealthy and others not? How does population growth and technology affect growth?	8
	4.18—4.20	<b>Macroeconomic Growth II</b> —Theoretical Predictions, Measurement, and Practical Applications	9
	4.25—4.27	<b>Monetary Policy and Stabilization</b> —Can policymakers stabilize the overall economy? What's in their objective functions? ( <b>Essay Due 4.27</b> )	18 & Hayek
	5.2—5.4	<b>Fiscal Policy and Government Debt</b> —How do taxes and borrowing affect the overall economy? Do G's financing choices matter? ( <b>HW#3 Due 5.2</b> )	19
	<b>5.11</b>	<b>FINAL EXAM</b> —7:30am to 10:15am <b>!!!NOTE Earlier Start Time!!!!</b>	

\* Dates are approximate; schedule subject to change due to weather and/or other factors. Mankiw Chapter based on 9<sup>th</sup> ed.; while author name refers to supplemental readings listed above.

\*\* Read also [Cochran \(2004\)](#), "Of Contracts and the Katallaxy..." linked on the "Research" page of my website.

## Essay

---

### Description, Instructions, & Grading Criteria

**Value:** 10 semester points

**Paper Length:** Your essay should be about 500 words long; that is, about 2 typewritten double-spaced pages—not counting graphs, tables, footnotes or other supporting material.

**Objective:** To describe, analyze, and recommend a solution to a macroeconomic policy problem or issue that I will assign. Think of these essays as if you were an analyst on the White House staff, and were asked to write a brief on some selected policy problem. You'll need to get to the point quickly and keep your ideas pertinent to the problem at hand.

The most difficult aspect of this assignment for most of you will be to write briefly and to remain on point. Remember, you only have a 500 word budget; use it wisely. Wordiness is not a virtue.

**Method:** One suggested approach is to devote the first paragraph to introducing the issue under study. This introduction should clearly setup the problem and motivate the reader to care about the analysis that follows. The next few paragraphs constitute the bulk of the paper should be devoted to analyzing the issue/problem (using models, data, graphs, and tables as needed) and analyzing the problem using economic tools (such as supply and demand, elasticities, profit or utility maximization, growth theory, and so on). To score well, you must clearly apply at least one tool or model from economics to analyze the problem. You should clearly describe what your analytical tool(s) predicts about the problem at issue.

As with homework assignments, you may work in study groups to solve/address the macroeconomic issue assigned. Each student however must independently write and submit his/her own paper. You must, therefore, be **very** careful about plagiarism. In addition, this is an analytical exercise and NOT a research paper. That means you likely will not have any citations or references; however, if you do, any data sources and/or other external references should be clearly indicated. In that case, standard APA format is fine: Author\_Last\_Name (Year, p. #); such as, Cochran (2004, pp. 40-42).

**Grading Criteria:** There are 3 principal criteria I will apply to evaluate your essay:

- (A) Were the **Instructions** above followed? [2 points]
- (B) Quality of your economic **Analysis**. [6 points] How sound was your economic reasoning? Was the tool/model you selected to frame your analysis appropriate and was it used correctly? Do your conclusions follow logically from the predictions of your model? Will your conclusion hold if major assumptions are relaxed? Etc.
- (C) **Style** [2 points] Was your exposition (grammar and coherence) of sufficient quality to convey your ideas accurately?