

Economics 311
Intermediate Macroeconomics
Fall 2022

e-mail: gjonesb@gmu.edu

Instructor: Garrett Jones, Associate Professor of Economics

Office Hours:

Wednesday afternoons 3:30pm-5:30pm in the GMU Library outer lobby (Near Argo Tea if possible, subject to change). Also gladly available in my office (Carow 8A) by appointment.

This semester we'll study the canonical models that central banks, development agencies, and the best economics departments draw upon to explain both the wealth of nations and short-term business cycles. The focus will be on the models rather than the data, but we'll spend quite some time looking at tests of the models, often horse-races between competing theories. If you do well in the course, you'll be better equipped to distinguish between reasonable macroeconomic ideas and nonsense, a useful skill in many situations.

Since most of you have been exposed to the key models in your principles course, I hope to spend less time dwelling on the basics and more time on the core insights and on applications. To succeed, you'll need to read the chapters in advance. At least for the first few weeks I'll have you take 5 to 10-minute quizzes—sometimes based on readings, sometimes based on end-of-chapter textbook questions. Read chapters 1 & 3 over the first weekend.

We will use a lot of algebra in the course, and a small amount of calculus. I've assigned some articles and a podcast, and we'll informally cover quite a lot of articles during class time. If an article is formally assigned and it's not on the syllabus, I'll put it up on Blackboard.

Remember, one learns economics largely the way one learns to play the piano: by practicing, not by reading books about it. Working on end of chapter questions and old exams is a good idea.

Required Books:

Charles Jones, *Macroeconomics*, Norton. I've assigned the 5th edition. The 4rd edition is OK, but earlier editions make poor substitutes. This textbook is written by a Stanford professor who helped shape much of modern economic growth research. Years ago, I wrote the instructor's manual for the first edition of this textbook, so I know it fairly well. Chad (as he is known) is at the research frontier, and his textbook teaches the key macroeconomic models in a stripped-down format that still conveys the big insights, and still conveys the way that macroeconomists use these models.

I take the material in Chapter 2 for granted—that's the chapter that defines the big macroeconomic variables like gross domestic product and inflation. It's the only

body of information that I presume you're bringing in from your principles of macroeconomics course.

Garett Jones, *Hive Mind: How your nation's IQ matters so much more than your own*, Stanford University Press, 2015. A Forbes review is [here](#), the Wall Street Journal tells the story of my book title [here](#), and it's been widely discussed online. On Kindle, *Hive Mind* is currently \$12; it's also available in Chinese.

Course Outline

(chapters from 5th edition, adjust accordingly)

Unit 1: The Flexible-Price World and the Solow model

C. Jones, Chapters 1, 3-5 [Chapter 2 taken for granted]

Hive Mind, Preface, Introduction and Chapters 1, 2, 4.

Lucas, "[What Economists Do.](#)"

Taylor, "[Why has U.S. Regional Convergence Declined?](#)"

Exam 1: 20% of grade, on Wednesday, September 14th, first hour of class.

Unit 2: Ideas, the Labor Market and the Quantity Theory

C. Jones, Chapters 6-8

Hive Mind, Chapters 5-7, 10

The India Times briefly [summarizes a paper](#) that comes up in *Hive Mind*.

Paul Romer, "[Economic Growth](#)"

Jason Collins, "[Kremer's O-Ring Theory of Economic Development.](#)"

Noah Smith, "[Mexico: A Development Puzzle.](#)"

Thomas Lubik (of the Richmond Fed), "[Revisiting the Beveridge Curve.](#)"

Exam 2: 20% of grade, Wednesday, October 12, first hour of class.

Unit 3: Sticky-Price Fluctuations

C. Jones, Chapters 9-13

Krugman, "[Baby Sitting the Economy.](#)" *Slate*

"[Ramey on Stimulus and Multipliers.](#)" *EconTalk* podcast/transcript.

NBER, "[Business Cycle Dating.](#)"

Note that since the Ramey podcast, she has joined the NBER's Business Cycle Dating Committee.

Exam 3: 20% of grade, Wednesday, November 9, first hour of class.

Unit 4: Policy and Institutions.

C. Jones, Chapters 15-18.

Sargent, "[The Ends of Four Big Inflations.](#)"

Prescott, "[Minneapolis Fed Interview.](#)"

"[The Lucas Critique.](#)" *The Urban Engine.*

No class during Thanksgiving Week

Last day of class before finals: Wednesday, November 30.

Final Exam, at the time scheduled by GMU:

Wednesday, 12/7, 7:30pm

Please plan accordingly.

I reserve the right to slightly alter the syllabus (deleting or shifting a chapter, for instance), as well as to require additional readings over the course of the semester.

In-Class Technology Policy

No handheld devices are permitted to be visible, in any way, during lecture. Those who use such a device during lecture will, after the first week, typically be expelled from the room for the day. In the first two rows of the classroom, laptops and other large electronic devices are not permitted. Both rules can be amended if and only if the student has made a specific arrangement with me in advance (which are gladly made for medical and other crisis-related reasons).

Honor Code

Please keep in mind that George Mason is an Honor Code University. All forms of academic dishonesty are forbidden in this course. Exams must entirely reflect your own work.

Grading

I will drop the lowest non-final exam score: This will take the place of makeup exams. The final cannot be dropped.

Quizzes (short, given most weeks): 10%

Exams: 20% each

(3 exams, but lowest dropped, so 40% total)

Final: 40% (mandatory)

Class participation: 10%

I will also provide sample exam questions at least one week before the midterm and the final. The final will be largely but not fully comprehensive: I will list the omitted chapters and readings well before the final exam. Non-Chad Jones readings will *not* be comprehensively tested. Each non-Chad Jones reading (e.g., assigned chapters from *Hive Mind*) will be fair game on exactly one exam—after that, it's lost to the wind. No extra credit will be offered: Good exam scores and good quiz scores are your path to success in this course.

To repeat:

Only the main textbook—Chad Jones's—will be comprehensively tested.

Each non-Chad Jones reading will be fair game on exactly one exam. All lecture material is in principle fair game on the final, but the final will to the greatest extent possible steer clear of non-Chad Jones assigned readings.

Communication

I encourage you to come to my office hours and to contact me via e-mail. University policy is that I should only correspond to students through their GMU email accounts, so please contact me through your gm.u.edu email. I particularly hope that we'll be able to use Blackboard successfully in this course.

Students with Disabilities

I am happy to make accommodations for students with disabilities. University policy states that students who would like to request such accommodations should first contact GMU's Office of Disability Services—and of course I'm glad to accommodate ODS's requests.

To repeat: Final Exam, at the time scheduled by GMU:

Wednesday, 12/7, 7:30pm

Please plan accordingly.