

Econ 4020/Spring 2008: Intermediate Macroeconomics

Prerequisites: ECON 2105, ECON 2106, MATH 2200, and MATH 2200L

MWF, 1:25 am – 2:15 pm, Sanford 112

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Office Hours: Mondays, 2.30-3:30 p.m., & by appointment

Course Web Page: <http://demidova.myweb.uga.edu/Econ4020.htm>

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TEXTBOOK: The [textbook](#) for the course is Macroeconomics, by Andrew Abel, Ben Bernanke and Dean Croushore, 6th edition.

COURSE DESCRIPTION: The course will be devoted to introducing the basic tools of macroeconomics and their implications for economic policies. A major effort will be made to relate the discussion in the text to current economic issues and debates. During the course of the semester, you will gain an understanding of the following issues:

- Primary Determinants of Long Run Economic Growth (Why do we make a big fuss about productivity?)
- Business Cycles (What are they? What can be done to tackle recessions?)
- Equilibrium in the Labor, Goods, and Asset Markets
- Role of Monetary and Fiscal Policies (their role in combating inflation, smoothing business cycles and fostering long run economic growth)
- The Role of Monetary and Fiscal Policies in an Open Economy – The US and the Rest of the World

Tip for Doing Well in the Course: Attend lectures regularly, because you might feel lost if you do not. Check the course web page frequently because there will be announcements, homework assignments, and extra materials related to the course plan.

GRADING: There will be two midterm exams and one final exam. The weights of the exams are as follows: 25% (first midterm), 25% (second midterm), and 30% (final exam). Homework assignments will account for 20% of the grade.

No extra credit will be given for the course.

HOMEWORK ASSIGNMENTS: Homework assignments will be given out approximately on a weekly basis. You will have one week to work on them and turn them in. All homework assignments will be due during lecture unless notified otherwise. If you submit an **early** assignment, **place it in the instructor's mailbox or hand it directly to the instructor. Do not slip it under the instructor's office door. Do not send attachments with e-mail messages.** Late homeworks will NOT be accepted under any circumstances. All homework assignments,

solutions, and announcements will be posted on the course web site. Hard copies of the homework assignments will be also handed out in class. Remember that the homework assignments carry a weight of 20%, so if you work sincerely on them, you will be able to secure that part of your grade. Also, the homework assignments would be a very good indicator of what you may expect in the mid-term and final exams.

EXAMS: The exams will be a mixture of short answer and analytical questions, as well as numerical problems. There will be no make-up midterm exams. If you have a legitimate reason not to take a midterm exam, the weight of that midterm will be applied to your final exam. Note that **you must have a legitimate reason, if you decide not to take an exam** (see rules below). If you have a legitimate reason for not taking the exam, your decision must be made before the midterm begins. You cannot take the midterm or part of the midterm and later choose to drop it. Failure to take the final exam at the scheduled time will result in a grade of zero, and therefore, if you know that you will not be able to take the final at the assigned time, then you should not take this course. Two exceptions to this rule are:

Legitimate reasons for not taking exams:

(1) You have another exam scheduled for the same time or three exams scheduled on the same day, and that Economics 4020 is your lowest numbered course. The procedure for rescheduling final exam conflicts has been revised. You are no longer required to go to the Office of Curriculum Systems to fill out the necessary paperwork. Instead, you can complete the necessary forms on-line from:

www.bulletin.uga.edu
www.curriculumsystems.uga.edu

In this case please let me know one week prior to the last day of classes.

(2) If the Office of the Vice-President for Student Affairs (110 Old College) verifies that you have a family emergency or personal illness. If this occurs please let me know before the exam or as soon as possible after the exam.

REGRADING: From the date that I return the midterms and go over them in class you will have 10 days to request a regrade. To request a regrade, please write a short note that:

- 1) identifies the questions(s) you would like regraded;
- 2) lists for each question a brief reason why you believe it was graded incorrectly based on the correct answer I provided in class.

I will be glad to review your final exam with you. If you would like to do this, please set up a meeting with me. You will be permitted to read through your exam in my office, but will not be permitted to take it with you. If after reviewing the final exam you request a regrade, please follow the same procedure as for the midterms.

Once I submit the course grades, I will change them for no reason other than a regraded final exam score or a mathematical error in the total grade calculation. I will not change a course grade for any other reason.

ACADEMIC HONESTY

UGA's [Academic Honesty Policy](#) will be strictly enforced in this course. I strongly urge you to become particularly familiar with Section 5 that discusses prohibited conduct.

The basic procedure is that the instructor who has evidence of a student's violation of academic honesty submits the name of the student to the Office of Academic Honesty. If the instructor wishes to pursue a charge of academic dishonesty, he/she must schedule a meeting among him/her, the student(s), and a facilitator. The purpose of the hearing is to discuss the charge and determine if there is agreement among the parties as to the guilt/innocence of the

student and, if justified, the penalty for academic dishonesty. If this discussion does not result in agreement, the case is transferred to a hearing that is presided over by a panel of one faculty member and two students. Two appointed representatives, one for the student and one for the university, conduct the hearing. The faculty becomes a witness for the university.

TENTATIVE SCHEDULE

- Introduction and National Income Accounting Chapters 1, 2 (selectively). (1.5 weeks)
- Labor Market, Unemployment, Chapter 3. (1.5 weeks)
- Growth Models, Chapter 6, Chapter 4 selectively. (2 weeks) (a little involved mathematically.)

First Midterm: Friday, February 15

- Business Cycles, Chapter 8; Asset Markets, Chapter 7. (2.5 weeks)
- IS/LM Model, Chapter 9 (1.5 weeks)

Second Midterm: Friday, March 28

- Wage - Price Rigidity, Unemployment and Inflation, Chapter 11 and Chapter 12 selectively. (3 weeks)
- Macro Policy in the Open Economy and Monetary Policy, Chapter 13 and 14 (if time permits) Government spending, Chapter 15. (3 weeks)

Final Exam: Wednesday, April 30, 12:00 – 3:00 p.m.

GOOD LUCK!

Last revised: January 6, 2008.