

ECO 210 – Intermediate Macroeconomics

Duke University

Spring 2020 – preliminary!

Instructor: Matthias Kehrig

Office: Social Sciences 237

Office phone: 919-660-1901

E-mail: matthias.kehrig@duke.edu

Course Website: <https://sakai.duke.edu/>

Lecture: Mo/Wed, 1:25pm-2:40pm; Social Sciences 136

Office hours: Monday, 3:30-5pm or by appointment

TA	Email	Office Hours
Elessar Chen	elessar.chen@duke.edu	Bostock Library 412, Fr, 1-3pm
Tyler Moran	tyler.moran@duke.edu	Languages 211, W 4-5pm
Salil Mitra	salil.mitra@duke.edu	Sociology Psychology 128, W 8-9pm
Watson Goh	jing.kun.goh@duke.edu	TBD, Tu 12-1pm
NN	nn@duke.edu	TBD, TBD

1 Course Description

This course covers theories of the determination of national income, employment, and the price level, with policy implications. The purpose of this course is to further your understanding of the central ideas of macroeconomics. We will study long-run economic growth, short-run economic fluctuations as well as unemployment and inflation. Once we have a basic understanding of these phenomena, we will discuss the main macroeconomic tools of the government, fiscal policy and monetary policy. By the end of the semester, you should be able to critically read articles on current economic issues that appear in publications such as The New York Times, The Wall Street Journal, and The Economist and to give an educated assessment of policy proposals.

2 Teaching materials

We will use the textbook “Macroeconomics” by Olivier Blanchard (7th edition, Pearson; earlier editions back to the 5th are not very different and are fine, too) which is required. I plan to follow the book closely and cover the core (ch. 1-13), open economy macroeconomics (ch. 17-20) and – time permitting – additional material about depressions and crises. Instead of buying the textbook, you can make use of “Duke Libraries

Top Textbooks Program” <https://library.duke.edu/course-support/course-reserves/textbooks>. You can check out our textbook for free for three hours at a time at the main service desk in the Perkins Library.

If you prefer to do so, you may also use “Macroeconomics” by Abel, Bernanke, and Croushore which is similar in content and presentation. Steven Williamson’s “Macroeconomics” covers basically the same topics, but the section on short-run macroeconomics is quite different.

The official course site will be on Sakai which I will use to communicate and post problem sets and the occasional material. Please refer to the site for updates, announcements and additional material. I may distribute an old exam for practice before the midterm and final.

3 Assessment

Class attendance is mandatory, though it is not part of your final grade. The final grade is determined by a midterm (40%) and a comprehensive final (60%). A letter grade (including + and -) will be assigned to you based on your weighted average of the course score and your performance relative to the rest of the class. At my discretion, the weighting between midterm and final may change slightly, and there might be a second midterm; if so, the weighting will be adjusted. (Bi-)weekly problem sets are graded in a “Pass”/“Fail” fashion, and too many “Fail” grades will reduce your overall course grade as outlined below.

3.1 Problem Sets

I expect to give you about eight problem sets (this number might change at my discretion). You may work in groups of up to five students whose names must be listed on the problem set. Problem sets are usually posted seven days in advance and are due – unless otherwise noted – Mondays at the beginning of class. Problem sets only have a ‘P’ or ‘F’ grade. If you have three ‘F’s or more, one grade step will be subtracted from your course grade, an additional step for six or more ‘F’s! Late or missing problem sets are obviously treated as ‘F.’ The two “free” ‘F’s are for unforeseen circumstances (personal emergencies, sickness, etc.) that may cause you to miss a deadline. No exceptions are made for athletic students, job market interviews or religious holidays. Plan ahead, the problem sets will be posted at least a week before they are due!

Teaching assistants will go over the solution to problem sets in their discussion sections; no solutions will be posted online.

3.2 Exams

Exams are all cumulative in that they cover the entire material covered up to the respective exam. No credit will be given for illegible handwriting and undecipherable graphs. Dates are

- Midterm: Wednesday, March 4, in class, 1:25-2:40pm
- Final: Friday, May 1, 2:00pm-5:00pm

Students with disabilities may confidentially request appropriate academic accommodations from the Duke Disability Management System here: <http://access.duke.edu/students/requesting/index.php>. Deadline for that request is Jan 31.

3.3 Policies

No computers, tablets and cell phones in class!

Prerequisites for taking this course are enforced via DukeHub. Students that encounter problems registering should contact EcoTeach at dus_asst@econ.duke.edu, not me.

The dates of the midterm, problem sets, and final are fixed. Missed exams generally will be treated as zeroes; only serious and substantiated medical or personal emergencies may be accepted as legitimate excuses for a missed exam. Should you be sick and miss the midterm or a problem set, please follow Duke's procedures for short-term illness: <http://trinity.duke.edu/undergraduate/academic-policies/illness>; for longer illnesses and personal circumstances, please contact your academic dean. Being excused for the midterm means I will shift its weight to the final (which will then account for 100% of your grade!). Being excused for the final means you will get a make-up exam. If a religious holiday conflicts with an exam, please notify me *as early as possible*, but no later than Jan 31; the same applies for athletes. You will then get a make-up exam.

If you think your exam or problem set should be regraded, you can request a regrade. Submit the request to me (not the TA) in writing and explain what part is graded incorrectly and why. I will then regrade the *entire exam* which may result in a lower overall score.

Duke Community Standard

"Duke University is a community dedicated to scholarship, leadership, and service and to the principles of honesty, fairness, respect, and accountability. Citizens of this community commit to reflect upon and uphold these principles in all academic and nonacademic endeavors, and to protect and promote a culture of integrity. To uphold the Duke Community Standard:

- I will not lie, cheat, or steal in my academic endeavors;
- I will conduct myself honorably in all my endeavors; and
- I will act if the Standard is compromised."

Students who violate University rules on scholastic honesty are subject to disciplinary penalties, including the possibility of failure in the course and dismissal from the University. Examples of dishonesty include but are not limited to: cheating on an exam, copying a problem set. Since dishonesty harms the individual, fellow students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced!

4 Course Schedule

The schedule below is tentative and subject to change at my discretion. Specifically, I see the material in chapters 1-13 as the core of this class, whereas chapters 18-22 are advanced topics. If we progress slower than this schedule anticipates, then I will sacrifice the later chapters in order to sufficiently cover the core. Specifically, I will keep the midterm dates fixed but adjust the material on the exams.

Date	Topic
Jan 8	Course overview, introduction and basics (Ch. 1-2)
Jan 13/15	Basics (Ch. 1-2) and the short run: Aggregate demand, goods market (Ch. 3)
Jan 22	no class on MLK Day; financial markets (Ch. 4)

Jan 27/29	IS-LM model and extensions (Ch. 5/6)
Feb 3/5	Labor markets (Ch. 7)
Feb 10/12	Phillips Curve, the NAIRU and expectations (Ch. 8)
Feb 17/19	IS-LM-PC model (Ch. 9)
Feb 24/26	How risk shapes expectations and alters the short-run equilibrium (parts of Ch. 14-16)
Mar 2	Review for midterm
Mar 9/11	Spring break
Mar 16/18	Growth: Facts; saving and capital accumulation (Ch. 10-11)
Mar 23/25	Technical progress I (Ch. 12)
Mar 30/Apr 1	Technical progress II (Ch. 13)
Apr 6/8	Open economy macroeconomics I (Ch. 17-18)
Apr 13/15	Open economy macroeconomics II (Ch. 19-20)
Apr 20/22	TBD

5 Miscellaneous

5.1 Important dates

- Jan 8: first day of class
- Jan 22: last day of the official add/drop period
- Mar 4: Midterm (in class)
- Mar 7-15: Spring Break
- Mar 25: last day to withdraw with W from class
- May 1: Final, 2-5pm

5.2 Learning Resources

- Dean of Students: <https://studentaffairs.duke.edu/dos>
- Duke Bias Response: <https://studentaffairs.duke.edu/bias-response>
- Counseling and Psychological Services: <https://studentaffairs.duke.edu/caps>
- Duke Academic Advising Center: <https://advising.duke.edu/>
- Duke Undergraduate Advising for economics majors: <http://econ.duke.edu/undergraduate/current-students/advising-tutoring>
- Emergency Assistance: <https://studentaffairs.duke.edu/studenthealth/emergency-assistance>