

University of North Carolina
Department of Economics

Economics 420
Richard Froyen

Macroeconomics
Spring 2015

Office Hours (Ga 300E): T-Th 3:30-4:30 and W 3-4:00 and by appointment. The course format is mostly lectures with opportunities for questions. There is also a discussion (or recitation) section.

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Course Objective: Macroeconomics studies the behavior of aggregate economic variables including employment, output and inflation. This course will examine various macroeconomic theories and the policy conclusions that follow from them. The course provides a background for upper level economics courses to build upon. I also want to enable you to better understand the way the U.S. and other economies work and to interpret the policy discussions in the media—no easy tasks.

Examinations: There will be a quiz on Tuesday February 10th and a mid-term exam on Tuesday March 24th. The final will be on Friday May 1st at noon. The quiz counts for 20%; the midterm counts for 30% and the final for 50% of the course grade.

The quiz will consist of 20 multiple choice questions. The mid-term and final will be a mix of multiple choice and analytic short essay questions. Multiple choice questions on each exam will cover the course material to that point; they are cumulative. Short essay questions will cover material from the point of the prior exam.

There will be sample multiple choice questions and answers to the analytic essay-type questions from the text posted on Sakai. These questions are good but not sufficient preparation for the exams. They are only sample questions and do not cover all the material in the course. Especially for the latter part of the course covering policy questions there is new material introduced in class. Class attendance is not monitored but my experience is that students who skip a lot of classes are disappointed with their grade, especially on the final exam.

Discussion Sections: There will be weekly discussion sections in the course. You will choose a section that fits your schedule from a list to be given out during the first week of classes. The role of these classes will be explained in class. The discussion sections will not meet during the first week of classes.

Text: Richard Froyen, *Macroeconomics: Theories and Policies* 10th Edition, Pearson 2013. There will be some additional readings that pertain to the “Perspectives” listed below. These readings will be distributed in class and posted on Sakai.

Course Outline and Readings:

1. Introduction and Measurement: Chapters 1-2.
2. The Classical Economics: Chapters 3-4
3. The Keynesian Revolution: Chapters 5-8; Chapter 18, pp.349-353.
4. Counter Revolutions: Chapters 10-11; 12; Chapter 9*
5. Summary of Macroeconomic Models: Chapter 13. Perspective: Where is Macro Headed in the Light of the Recent Financial Crisis and Deep Recession?
6. Macroeconomics of the Open Economy: Chapter 14. Perspective: The Euro Area's Sovereign Debt Crisis
7. Financial Markets and Monetary Policy: Chapters 16-17. Perspective: The Recent Financial Crisis and Federal Reserve Response
8. Long-run Economic Growth: Chapter 20. Perspective: China as the World Largest Economy?

- Chapters marked with an asterisk (*) are not required.