

# Econ 420: Intermediate Macroeconomics

UNC at Chapel Hill, Department of Economics  
Summer Session I 2017



## Instructor Information:

David Leather  
Office: 207 Phillip's Annex  
Email: [dleatherecon@gmail.com](mailto:dleatherecon@gmail.com)  
Web: [dleather.web.unc.edu](http://dleather.web.unc.edu)  
Office Hours: T,R: 9:45 -10:45am

## Class Schedule:

M,T,W,R,F 8:00am-9:30am Dey Hall 208

## Course Materials:

**Recommended Text:** *Macroeconomics* by Richard Froyen. 10<sup>th</sup> ed.

**Recommended Periodicals:** The Wall Street Journal; The Economist; New York Times;  
[Project Syndicate](#); [Economist's View](#); [/r/worldnews](#).

## Course Credit:

Students can not receive credit for both Econ 320 and Econ 420.  
Econ 101 & 410 are pre-requisites for this course.

**Goal of Course:** The goal of this course is to provide you with the tools necessary to critically analyze current events within the rubric of major schools of macroeconomic thought. We will address three objectives to achieve this goal. First, we will introduce you to the various types, sources, and meaning of major macroeconomic data series. Second, we will explore the structure and myriad assumptions underlying popular economic models. The course will place special emphasis on the Classical and Keynesian Theories. Lastly, we will use this data and these theories to evaluate the economy's response to exogenous shocks, such as changes in fiscal, monetary, and trade policy. The course differs from Econ 320 in its breadth of material and mathematical rigor.

By the end of the course, you should be able to provide informed responses to questions such as: Are we in a recession? Should the government lower tax rates? How might actions by the "Fed" impact me? Do the arguments reported in the press regarding economic events make sense in light of the major schools of economic thought?

The course will place special emphasis on evaluating the current state of the economy. Regular reading of the financial news via the Wall Street Journal or the like is highly recommended. The text for the course will provide a rough guide of the topics we will cover. However, lectures will provide much supplemental material. The syllabus is subject to change. The honor code is in effect.

**Code of Conduct:** The University Honor Code is in effect. In particular, this implies that all work submitted is your own. Moreover, I expect professional behavior at all times. For example, the non-academic use of personal electronic devices is prohibited. I do not expect to see any cell phones or laptops out during lecture.

Grading	% of Course Grade	Date	Details & Policy
Final Exam	(45%)	06.22.17	Comprehensive exam. Missing the Final Exam without a valid excuse from the Dean will result in a zero exam score.
Midterm	(35%)	06.02.17	Missing the Midterm without an “excused” absence results in a zero score for that Test. If you miss the Midterm with an “excused” absence, the Final Exam will account for 80% of the course grade.
Homework	(20%)	First class of week	There will be 5 homework assignments throughout the semester. No “make-ups” will be given. If you can not make it to class, let me know and you’ll be permitted to email me your submission. Homework will only be graded for completion. I will post solutions to each homework assignment, and it will be your responsibility to review your answers.
Extra Credit	(1 pt)	Last	Upon request, there will be an assignment that can submitted for extra credit, adding a single point to your grade for the course. This will be a short-essay (3-5 pages single-spaced) on a movie or podcast of my choosing, where you must describe the <i>economics</i> found in the piece.

Students associated with Disability Services must contact me one week prior to each Test.

Excused Absences: Illness or participation in University sanctioned activities. Documentation from coach or doctor must be provided.

Letter grades will be determined at the end of the course via a clustering algorithm subject to my discretion. The table reports the grade distribution from a typical class I teach.

A	20%
B	30%
C	30%
D	10%
F	10%

### **Tentative Course Outline**

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- Topic 1 *Introduction and Macroeconomic Data (2 Classes)*  
What is macroeconomics? What is the current state of the macroeconomy? How do we measure macroeconomic activity with GDP, CPI, UR?
- Topic 2 *Classical Theory (4-5 Classes)*  
Detail the Supply, Demand, and Equilibrium conditions that constitute a Classical framework. Discuss open and closed systems.
- Topic 3 *Keynesian Theory (4-5 Classes)*  
Detail the Supply, Demand, and Equilibrium conditions that constitute a Keynesian framework. Discuss open and closed systems.
- Topic 4 *Macro Theory After Keynes (5-6 Classes)*  
Provide an overview of macroeconomic thinking after Keynes, including New Classical, Real Business Cycle Theory, Dynamic AS/AD, and others.
- Topic 5 *Macroeconomic Policy (5-6 classes)*  
Detail the workings of Fiscal, Monetary, and to a lesser extent, Trade Policy.
- Topic 6 *Open Economy Macroeconomics (Remainder)*  
Introduce exchange rates and the international monetary system and explore an open economy version of the IS-LM model.