

Econ 420

Intermediate Theory: Money, Income, and Employment

UNC Chapel Hill, Summer 2020

Instructor:	Abe Martin	Time:	MTWThF 11:30 am – 1:00 pm
Email:	abe.martin@unc.edu	Phone:	212-920-7423
Place:	Gardner 307		
Office Hours:	T/W/Th 1:30 am – 2:30 pm		

Course Session & Office Hours:

1. <https://unc.zoom.us/j/766974755>

Econ Aid Center:

1. <https://unc.zoom.us/j/105650016>

Hours: M 4:00 pm -7:00 pm. T/W/Th 3:00 pm - 7:00 pm, F 3:00 pm - 5:00 pm

Class Schedule:

1. Lecture Section 001: MTWThF 11:30 am – 1:00 pm

Office Hours: After class T/W/Th 1:30 am - 2:30 pm also by appointment.

Main References: This is a restricted list of various interesting and useful books that will be touched during the course. You need to consult them occasionally.

- **Main Textbook:** Richard Froyen, *Macroeconomics*.
- **Recommended Text:** Greg Mankiw, *Principles Of Economics*.

Both books can purchased online inexpensively. Homework assignments will not come from the text-book so older editions can be used.

Objectives:

The goal of this course is to provide you with the tools necessary to analyze critically 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.

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 recommended highly. 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.

Prerequisites: An undergraduate-level understanding of Econ 101, Microeconomics and Macroeconomics, Algebra and Calculus.

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.

Grading Policy: Homework and quizzes (30%), Midterm 1 (20%), Midterm 2 (20%), Final (30%).

Letter grades are computed from the total points earned during the semester and assigned based on the scale nearby. There is no maximum number of A's nor B's awarded. However, in previous courses 20% - 25% of my students have earned in the A range, 30% - 40% have earned in the B range, and 20% - 30% have earned in the C range. Although the grade distribution may change this semester, the past scores should give you a sense of my grading standards.

A	95 and above
A-	90-95
B+	85-89
B	80-84
B-	75-79
C+	70-74
C	65-69
C-	60-64
D+	55-59
D	50-54
F	Below 50

Important Dates:

Final Exam	Course Grade	Date	Details & Policy
Final Exam	30%	June 10	Comprehensive exam
Midterm	30%	June 27	Midterm exam
Homework	35%	–	Several HW's will be assigned
Class Participation	5%	–	Attending, participating, etc.
Extra Credit	2%-6%	–	Bonus assignments. Optional.

Final Exam will be June 27, 11:30 pm-2:30 pm

Course Policy:

- Regular attendance is essential and expected.

Schedule and weekly learning goals

The schedule is tentative and subject to change. The learning goals below should be viewed as the key concepts you should grasp after each week, and also as a study guide before each exam, and at the end of the semester. The applications in the second half of the semester tend to build on the concepts in the first half of the semester though, so it is still important to at least review those concepts throughout the semester.

Week 1 Introduction and Macroeconomic Data

- What is macroeconomics? What is the current state of the macroeconomy? How do we measure macroeconomic activity with GDP, CPI, UR?

Week 1 - 2 Classical Theory

- Detail the Supply, Demand, and Equilibrium conditions that constitute a Classical framework. Discuss open and closed systems

Week 2 - 3 Keynesian Theory

- Detail the Supply, Demand, and Equilibrium conditions that constitute a Keynesian framework. Discuss open and closed systems.

Week 3 Macro Theory After Keynes

- Provide an overview of macroeconomic thinking after Keynes, including New Classical, Real Business Cycle Theory, Dynamic AS/AD, and others.

Week 4 Open Economy Macroeconomics

- Introduce exchange rates and the international monetary system and explore an open economy version of the IS-LM model.

Week 5 Macroeconomic Policy

- Detail the workings of Fiscal, Monetary, and to a lesser extent, Trade Policy.