

Meetings: Section A - TR: 9:40 am – 10:55 am, Dana 146. Section B - TR: 1:40 pm – 2:55 pm, Chambers 2084.
Office Hours: MW 1:00 pm – 3:30 pm, TR 3:30 pm – 4:30 pm, and by appointment
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Course Description

The objective of this course is to provide a set of concepts and models that can be used to understand current and historical macroeconomic experiences of the United States and to evaluate arguments about macroeconomic policy. The course will discuss different macroeconomic perspectives in terms of their assumptions, implications, and underlying mathematical framework. This course will also take a look at macroeconomic data sources to study broad relationships between macroeconomic variables.

Learning Objectives

By the end of this course, successful students will be able to:

- Apply, manipulate, and critique macroeconomic models that describe closed and open economies.
- Differentiate between the key assumptions and implications of various macroeconomic theories (e.g. Classical and Keynesian theories).
- Use economic reasoning and available data to assess the efficacy of alternative models in explaining observed macro phenomena.
- Explain the causes and cures of short-run versus long-run macroeconomic problems.
- Analyze macroeconomic conditions and recommend policy actions (e.g. monetary and fiscal policies) to promote specific policy goals.

Statement on Inclusion

Your success in this class is important to me. Please let me know if there is anything I can do to help you better understand the materials in this course, and I will try to do it if I can. Having trouble with the concepts discussed in class? Come talk to me! Not sure about solving problem sets? Come talk to me!

Davidson College is committed to insuring full access for all qualified students in its programs. If you have a documented disability (or believe you may have a disability) that might affect your work in this class, please contact the Academic Access and Disability Resources Office (Nance Longworth, nalongworth@davidson.edu) as soon as possible. Speak with me as well so that we can collaborate on your success in the course.

Textbook

Froyen, R. 2010. *Macroeconomics, 10th edition*: Pearson Education, Inc.

Supplemental Readings

I will assign numerous supplemental readings that will either be in the form of documents uploaded on Moodle or handouts distributed one week prior to the related in-class discussion.

Grading

- *Problem Sets (0% of the course grade)*

Problem sets will be assigned every Thursday unless a review is scheduled for the following week. There will also be a review session every week in which I will discuss the problem sets. The questions will test your understanding of concepts and may require some math. In addition, some problem sets will require some empirical work to help you become familiar with U.S. macroeconomic data.

- *Quizzes (15% of the course grade)*

There will also be a short take home quiz due every Tuesday unless a review is scheduled for that week. The quiz each week will be related to the material covered in the previous problem set. Please note that that these quizzes are timed, closed-book, and closed-notes and are designed to help you prepare for the reviews.

- Article Discussion (15% of the course grade)

You are strongly encouraged to read publications such as The Economist and The Wall St. Journal and blog posts by well-established professional economists. I have uploaded onto Moodle a list of some prominent blogs that discuss macroeconomic issues. You will be required to submit five article discussions (one for Unit 2, two for Unit 3, one for Unit 4, and one for Unit 5) that demonstrate your ability to connect in-class material with the economics article.

An article discussion should be concise (no longer than 400 words) and should successfully:

- a) Summarize the main points of the article,
- b) Connect the article to material presented in class, and
- c) Analyze/critique/apply the article further.

You are strongly encouraged to use equations, figures, and graphs to elucidate your points. Please include a copy of the article you are discussing in your submission.

- Reviews (70% of the course grade)

There will be two midterm reviews (each worth 20% of the course grade) and a final review (worth 30% of the course grade). An optional help session will be held about a day or two before each long review. The first review will cover Units 1, 2, and a part of Unit 3 while the second review will focus on Units 3 and 4 although knowledge of earlier material may be required to answer questions correctly. The final review will be cumulative. If you miss a review due to illness or an emergency, I will re-weight your other reviews.

Each review will consist of two components:

1. Take-Home Part (25% of review score): This component will be an essay that requires you to briefly analyze an issue of contemporary macroeconomic interest in terms of the models presented in class. For full credit, the essay should include some discussion of two or more distinct perspectives on the macroeconomic issue as well as present some supporting data. The text of the essay should not exceed 1200 words and you are strongly encouraged to use equations, figures, and graphs to elucidate your points.
2. In-Class Part (75% of review score): The structure of the in-class component will be similar to structure of homework assignments and short reviews.

Review 1: February 23

Review 2: April 19

Final Review: **Self-scheduled during finals.**

The Honor Code is a critical component of life at Davidson. Let's keep it that way!

Topics to be Discussed
Unit 1
Introduction, Circular Flow, Measurement of Variables, Mercantilism (Chs. 1, 2, 3.1)
Unit 2
Classical Macroeconomics 1 (Ch. 3) Classical Macroeconomics 2 (Ch. 4)
Unit 3
The Keynesian System 1 (Ch. 5) Money, Banking, and Interest Rates and The Keynesian System 2 (Chs. 16, 6) The Keynesian System 3 and 4 (Chs. 7, 8)
Unit 4
The Monetarist Counterrevolution and Alternative Views (Chs. 9, 10)
Unit 5
New Classical, RBC, and New Keynesian Models (Chs. 11, 12, 13) Introduction to Open Economy Macroeconomics (Chs. 14, 15) Economic Growth (Chs. 19, 20)