

EC 302

Intermediate Macroeconomics

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Office Location: Nelson Hall, room 4129.

Office Hours: Every day, by appointment.

Course description:

Applied, analytical course in aggregate economics: business cycles, stabilization policy, inflation, costs of disinflation, international trade, and economic growth. Interaction of consumers and businesses with government economic policies; unemployment, interest rates, and output growth. Impacts of government deficits, trade deficits, and monetary policies.

Learning outcomes:

This course covers macroeconomic theory and policy, primarily applied to the U.S. economy. By the end of the course you should have an understanding of:

- how macroeconomic performance is measured and the recent performance of the U.S. economy;
- the basic forces driving the economy in the long run and the short run;
- why some countries grow faster than others;
- how fiscal and monetary policy attempt to stabilize the economy;
- the impacts of federal government deficits;
- the microeconomic foundations of saving and investment;
- the role of the financial sector;
- the determination and effects of foreign exchange rates.

Contact:

The best way to contact me is via email. I typically reply to emails every day (but Saturdays) between 5 and 6 pm. If you need an immediate answer, please write "URGENT" as a first thing in the subject line of the email and I will get back to you as soon as possible. Please, feel free to discuss with me any issue you might have in the course. In case you need clarification on grades or believe you have been treated unfairly, let me know as soon as you can: waiting until the final grade is out is too late and I will not consider any change (except for what concerns the final exam).

Grade components

Homeworks and the assignment are not compulsory. You have two possibilities:

- Mid-term Exam (5/31): 30%
- Final Exam: 30%
- Assignment (non compulsory): 20%
- Homeworks (non compulsory): 20%

If someone is absent to the exams without an excuse, they will get 0.

If you do not do the homeworks or the assignment, their weights will be distributed proportionally to all remaining grade components. If the assignment or the homeworks damage your final grade, I will disregard them.

If the average grade on the midterm is below 85, the final exam will be cumulative. Otherwise, it will not.

Grades:

A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F
97-100	93-96.99	90-92.99	87-89.99	83-86.99	80-82.99	77-79.99	73-76.99	70-72.99	67-69.99	63-66.99	60-62.99	0-59.99

If the class average final grade is below 79.99 (before points for absences are deducted), I will scale all grades in such a way to bring the average student to a 79.99 (corresponding to a C+). In order to ensure equal treatment in the class, I will not round up to the closest unit under any exception. Please, refrain from asking me to increase your grade.

Assignment:

The assignment consists in an essay. You'll be asked to conduct some independent research on a particular topic in macroeconomics that you are interested in. Paying attention in class, especially when discussing real world data, is a good way to find a topic. Further information will be posted on Moodle.

Homeworks (done in groups):

A pdf version of the homework must be submitted on Moodle by the specified date. Handwritten versions work fine, as long as they are converted into pdf files. You can scan them or even take a picture with your phone: as long as the work is a readable pdf, I am satisfied. Homeworks are to be completed in groups of 2 to 4 people. There is no requirement to stick to the same group for the whole semester; group members can change every time. If you are unable to find a partner, contact me so that I can try to match you up with somebody else. Homework 1 is to be done individually.

Late submissions are accepted, but the maximum grade will be: 90 if you are late by less than 6 hours; 80 if you are late by less than 12 hours; 60 if you are late by less than 24 hours; 50 for delays of more than a day.

If you get a grade below 80 (before deducting the penalty for delays), you have the chance of resubmitting the homework via email within one week from the day grades are released and get up to 80. In case you are completely off in answering a question, I may give you the chance of re-submitting only that answer and get some points back.

Course material

The textbook we will be using is “Intermediate Macroeconomics” by Julio Garín, Robert Lester and Eric Sims, available [here](#) for free. Additional material will be posted on Moodle.

Suggested readings:

Learning economics is not easy. Taking courses is a necessary step in the right direction, but it does not provide you with all the knowledge you need. At the end of the day, curiosity about the many struggles the world has to face is the key attribute of anyone who really wants to grasp the topic. I would like to suggest a number of books, blogs, magazines and podcasts that are instrumental to this goal.

- Newspapers and magazines:
Three mainstream sources of news and analyses for economists are The Wall Street Journal, The Economist and The Financial Times. Student subscriptions are affordable.
- Blogs:
It is now very common for economists to write blogs in order to share their thoughts, their opinions, their research results and their explanations of economic concepts. Some blogs that I find useful are written by [Dietrich Vollrath](#) on growth, [John Taylor](#) on monetary economics, [Mark Thoma](#), [Antonio Fatas](#), [Mankiw](#), [Roger Farmer](#). Various institutions publish short articles and columns frequently as well; you can look for example at the [CEPR](#), at the [St. Louis Fed](#) or at the [IMF](#) among others. In addition, [this website](#) lists 100 economics blogs and encloses a brief description of each of them. I suggest taking a look at it in order to find the blogs that best suit your interests.
- Podcasts:
 - [Macro Musings](#) by David Beckworth from the Mercatus Center. It focuses mostly on monetary economics.
 - [EconTalk](#) by Russ Roberts is a bit harder to follow but can still be appreciated by non-experts. The host is a very smart guy who is interested in a wide range of topics, also beyond the field of economics. It is not designed as a mass consumption podcast, but you may find it interesting in case you are looking for something intellectually stimulating.

- [The Indicator at Planet Money](#) is a short daily podcast that explains what's behind the various indicators and concepts that you hear about in the news.
- [Capitalisn't](#) by economists Kate Waldock and Luigi Zingales. It tackles a variety of policy-relevant issues, discussing them rigorously without making it too complicated.
- [Macro Voices](#) is a very hard podcast. If you are interested in finance, it may be a good idea to try to listen to it just to start acquiring some familiarity with the terminology used by professionals in the field.
- [VoxTalks](#) is a policy oriented podcast in which economists present their working papers in about 20 minutes or less.
- Books:
 - The Rise and Fall of American Growth by Robert Gordon, an in depth analysis of standard of livings in the US from the period after the civil war until today.
 - Why Nations Fail by Daron Acemoglu & James A. Robinson, for those of you who are interested in economic growth and development. The authors are strong proponents of the idea that international differences in economic growth are caused primarily by institutional differences.
 - Collapse: How Societies Choose to Fail or Succeed by Jared Diamond, on what brought some societies of the past to a halt. [Wikipedia](#) has a good description of the book.
 - The Conquest of American Inflation by Thomas Sargent on the increase in inflation from the early '60s and the subsequent decline in the early '80s. It's quite advanced!
 - GDP: A Brief but Affectionate History by Diane Coyle, on the relevance of GDP as a measure of the value of economic activity in today's world.
 - The American Economic Association provides a comprehensive list of books (and blogs) grouped by topic [here](#).

As Friedrich Hayek pointed out, "Any man who is only an economist is unlikely to be a good one", hence my ultimate suggestion would be to seek knowledge in the many disparate fields you might be interested in. Be curious and read books and newspapers, watch documentaries, listen to knowledgeable people, etc.

The requirement of students electing to enroll for credit only S/U:

In order to receive a grade of S, students are required to take all exams and quizzes, complete all assignments, and earn a grade of C- or better. Conversion from letter grading to credit only (S/U) grading is subject to university deadlines. Refer to the Registration and Records calendar for deadlines related to grading. For more details refer to <https://policies.ncsu.edu/regulation/reg-02-20-15/>

The requirement of students electing to enroll for audit AU:

Students auditing this course are required to take all exams and quizzes, and complete all assignments. For more details refer to: <https://policies.ncsu.edu/regulation/reg-02-20-04/>

Policy on Incomplete Grades:

At the discretion of the instructor, students may be given an incomplete grade for work not completed because of a serious interruption in their work not caused by their own negligence (i.e., documented illness or family emergency occurring after a student has completed the majority of the course). An incomplete grade cannot be given, however, as a substitute for an F when the student's performance in the course is deserving of failing. An incomplete is only appropriate when the student's record in the course is such that the successful completion of particular assignments, projects, or tests missed as a result of a documented serious event would enable that student to pass the course. For this particular course, I do not anticipate the opportunity for an incomplete grade except in the case that all work has been completed with a passing grade in the course except for the final exam, and a serious unanticipated situation prohibits a student from completing the final. All such situations must be discussed with the instructor. The University policy on incomplete grades is located at: <https://policies.ncsu.edu/regulation/reg-02-50-03/>

Policy on Academic Integrity:

The NC State University Honor Pledge: I have neither given nor received unauthorized aid on this test or assignment.

It is the understanding and expectation of the instructor that the student's signature on any test or assignment means that the student has upheld the University's Honor Pledge.

It is the responsibility of each student to understand the University's policy on academic integrity as defined in the Code of Student Conduct Policy located at: <https://policies.ncsu.edu/policy/pol-11-35-01/>

Statement for Students with Disabilities:

Reasonable accommodations will be made for students with verifiable disabilities. In order to take advantage of available accommodations, students must register with Disability Services for Students at 1900 Student Health Center, Campus Box 7509, 515-7653. For more information on NC State's policy on working with students with disabilities, please see: <https://policies.ncsu.edu/regulation/reg-02-20-01/>

Anti-Discrimination Statement:

"NC State University provides equality of opportunity in education and employment for all students and employees. Accordingly, NC State affirms its commitment to maintain a work environment for all employees and an academic environment for all students that is free from all forms of discrimination. Discrimination based on race, color, religion, creed, sex, national origin, age, disability, veteran status, or sexual orientation is a violation of state and federal law and/or NC State University policy and will not be tolerated. Harassment of any person (either in the

form of quid pro quo or creation of a hostile environment) based on race, color, religion, creed, sex, national origin, age, disability, veteran status, or sexual orientation also is a violation of state and federal law and/or NC State University policy and will not be tolerated. Retaliation against any person who complains about discrimination is also prohibited. NC State's policies and regulations covering discrimination, harassment, and retaliation may be accessed at <https://policies.ncsu.edu/policy/pol-04-25-05/>

Any person who feels that he or she has been the subject of prohibited discrimination, harassment, or retaliation should contact the Office for Equal Opportunity (OEO) at 515-3148."

Statement about electronically hosted course components:

"Students may be required to disclose personally identifiable information to other students in the course, via electronic tools like email or web-postings, where relevant to the course. Examples include online discussions of class topics, and posting of student coursework. All students are expected to respect the privacy of each other by not sharing or using such information outside the course." The University's online course material host requirements are located

at:

<https://policies.ncsu.edu/regulation/reg-08-00-11/>