ECONOMICS 82B - MACROECONOMIC THEORY - SYLLABUS

1. GENERAL DESCRIPTION

Economics 82b is a one-semester course covering macroeconomic facts, theory, and policy. It covers the determinants of economic growth, business cycles, inflation, and unemployment.

Two semesters of introductory economics (Economics 2a or 10a and 20a) are prerequisites for this course. It is assumed that students know univariate calculus. Although not required, it is expected that most students have taken (or will take) the companion course in microeconomics, Economics 80a.

2. LEARNING GOALS

- Understand the determination of capital and labor inputs in the market clearing model.
- Understand how the availability of capital and labor affect a country’s standard of living.
- Understand how changes in the amount of money affect the price level, the inflation rate and other macroeconomic variables.
- Understand the differences between the real business cycle model and the Keynesian model of short-run fluctuations.

In general, you will learn how to use rigorous, mathematical models to appraise critically the issues underlying important contemporary policy debates in United States and elsewhere.
3. Expected workload

Success in this 4 credit hour course is based on the expectation that students will spend a minimum of 9 hours of study time per week in preparation for class (readings, papers, discussion sections, preparation for exams, etc.).

4. Teaching staff

- Lectures: Professor Maya Eden; meden@brandeis.com. Office hours: Tuesdays 11 a.m. to 12:30 p.m., Sachar Building Room 130D
- Recitations: Zakaria El Amrani El Idrissi; zelamrani@brandeis.edu. Office hours: Sundays 4 p.m. to 7 p.m., lower green, first floor of the library.
- Problem set grading: Laury Fang; lauryfhy@brandeis.edu. Office hours: Mondays and Wednesdays from 1 p.m. to 2 p.m., lower green, first floor of the library.

5. Material


- We will mostly follow the textbook, but there will be some departures. Taking good lecture notes is necessary for success in this class.

Topics covered:

- Microfoundations of macroeconomic theory (midterm 9/28/2017)
- Long-run growth and long-run monetary policy (midterm end of October)
- Short run fluctuations (final)

6. Course requirements

- Exams (50% of final grade): we will have two midterms and a final. Only the two best exams are counted towards the final grade.
• Problem sets (35% of final grade): we will have approximately 9 problem sets. The two worst problem sets will be dropped from the calculation of the final grade. **Problem sets are due at the beginning of lecture.**

• Questions (15% of final grade): after each lecture (and before the following lecture), you are required to submit a *clarifying* question about the material to: questions82b@gmail.com. Usually, we will not respond to these emails but rather address your questions during recitation or lecture. If you have a question that requires a more urgent response, please email us directly using the above contact information. Only 50% of questions will count towards your grade.

7. **Academic integrity**

While you are encouraged to discuss the problems with others, you are expected to answer problems on your own. Resist the temptation to copy someone else’s answer. This is worse than useless as it is not only a violation of Brandeis University rules but also will lull you into a false sense that you understand the material.

More generally, you are expected to be honest in all of your academic work. Please consult Brandeis University Rights and Responsibilities for all policies and procedures related to academic integrity. Students may be required to submit work to TurnItIn.com software to verify originality. Allegations of alleged academic dishonesty will be forwarded to the Director of Academic Integrity. Sanctions for academic dishonesty can include failing grades and/or suspension from the university. Citation and research assistance can be found at LTS - Library guides.

8. **Other course rules**

• Late assignments will not be accepted.
• There will be no make up exams or problem sets. We understand that sometimes there are circumstances that may prevent you from handing in a problem set on time or attending an exam; this is why we drop one exam and two problem sets from the calculation of the final grade.

• Attendance is not mandatory, but highly recommended if you want to do well in this class.

• If you have to miss a lecture, please be sure to get lecture notes from one of your classmates, and please don’t hesitate to come to office hours if you have any questions.

• Please do not attend lecture or recitation if you are sick, and focus on getting well. Coming to class with a contagious disease is inconsiderate towards your classmates (and teaching staff).

• Phones should be turned off during class.

• Laptops are allowed for note-taking only. We reserve the right to ban laptops if we receive complaints of other distracting activities.

9. Disability

If you are student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see Professor Eden immediately.

10. Course plan

This plan is tentative. Depending on our pace, we may not cover all of these topics, and the number of lectures on each topic may vary.

(1) Labor and investment demand

(2) Labor supply
(3) Wage determination
(4) The consumption-saving decision
(5) The determination of the interest rate
(6) The Solow growth model
(7) The neoclassical growth model
(8) Growth policy
(9) Money demand
(10) Money neutrality
(11) Inflation
(12) The real business cycle model
(13) Policy implications of the real business cycle model
(14) The IS-LM (Keynesian) model
(15) Policy implications of the IS-LM model