
73-240: MACROECONOMICS
Fall 2017

Instructor: ALI SHOURIDEH

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Class Web: [Canvas](#)

Office: GSIA 327, (412) 268-3920

Office Hours: Tuesday 1:30PM - 3:30PM, or by appointment

Recitation TA : MAURO MORETTO

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Location: PhD Lounge

Homework TA : WILLIAM BEDNAR

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Office Hours: Mondays 5-7pm

Location: PhD Lounge

Class times:

MW 01:30PM 02:50PM in POS MN AUD

MW 03:00PM 04:20PM in POS MN AUD

Textbook:

Stephen D. Williamson: Macroeconomics, 5/E

ISBN-10: 0-13-299133-0

ISBN-13: 978-0-13-299133-9

Publisher: Addison-Wesley

Copyright: 2014

Course Description:

The goal of this course is to provide a rigorous framework for understanding modern macroeconomic issues, debates, policies and solutions. Learning objectives:

1. Understand and be able to use the various measures of an aggregate economy's performance and well-being;
2. Understand how aggregate macroeconomic behavior is affected by microeconomic behavior and equilibrium restrictions;
3. Be able to answer simple macroeconomic policy questions by formulating a model, finding the data and deriving an analytical and quantitative answer;
4. Understand the factors that cause economic growth and be able to describe the patterns of economic development across countries and over time;
5. Understand how credit and labor frictions operate and how they might impact macro economic behavior.

Prerequisites:

Formal: (73-100 or 73-230) and (21-256 or 21-259). *Informal:* I expect you to be able to apply basic tools of mathematics, statistics and economics. We use logarithms extensively and calculus occasionally. You should have taken 73-230 (Intermediate Microeconomics) and I will assume you are familiar with basic concepts from microeconomics, make sure to review them now!

Informal: In the homework I will ask for extensive data work. I advise you to learn spreadsheet software (i.e. Excel, Google docs) as soon as possible. Also, I will require the homework to be typed; now is a good time to brush up on your typing skills!

Course material:

Textbook: The textbook will be used as a guide and a reference book. I adopt the organization of the book, but do not follow it verbatim. You should read over relevant chapters in advance. The fourth edition of

the book is also an acceptable version.

Slides: I will make slides available on the class website. The final version of the slides will be available after each class. During the semester I will also prepare the slides in book format. The idea is for you to have a reference document that you might keep for years to come.

Blackboard: I will make some additional material available on the class website: these are not required reading (but most of the times they are very interesting!). Check Blackboard regularly: the TA and I will use the site to communicate additional information to you, to post slides and update the syllabus.

Financial press: I recommend regularly reading The Economist, the Financial Times or the Wall Street Journal; keep interesting articles, bring them to class and ask questions about them. Every week I will summarize the most relevant macroeconomics “news” at the beginning of class.

Feedback and Email:

Together with the usual evaluation forms, I have set up an on-line, live, anonymous feedback system, you can access it here: <https://goo.gl/forms/hxfwY7ff9DDev7yy2>

This is a large class, in order to communicate more efficiently I follow the communication policy:

- *Piazza:* Most questions should be posted on the Piazza discussion board. The link can be found on Blackboard under Course Content. The answer will be provided by me or the class TAs. I encourage everyone to sign up for Piazza as I will not respond to question related to material via email.
- I am not able to answer emails the night before an exam or assignment due date!
- For homework re-grading, speak with your TA first (regrading requests must be submitted to your TA in writing; see **Additional Homework Rules** below)

Requirements and Grades:

Grading: Graded work will consist of:

- 5 graded assignments (30% of total grade). Note that no assignments will be dropped.
- 2 midterms (35% of total grade). Note that no midterm will be dropped.
- 1 comprehensive final exam (25% of total grade).
- Class Participation (10% of total grade); Your participation grade combines an *objective* and *subjective* components. The objective component consists of your grade on HW #0 and attendance—I

will have random roll calls during the semester. The subjective component grades your overall participation and engagement with the course. We will often discuss and debate about various policy issues and involvement in these discussions is a contributing factor to this component. Participation in discussion on Piazza also counts towards participation.

I will aggregate all points according to the above formula. Final grades will be determined on a relative basis: students with the highest total points will receive A's, those next in line will receive Bs, etc. I will not disclose cutoff values.

Sometimes, I will hold instant quizzes during class. These non-graded quizzes will be used for class participation and to sample your knowledge of the material we will cover in class. The quizzes will be administered on Canvas

Fine print:

1. Calculators are not allowed during exams unless I specify otherwise. Copying during an exam will result in you failing the class!
2. There will be cold calling.
3. Students with Disabilities: If you have a disability, please contact the Office of Disability Resource to request appropriate accommodation. And let me know as soon as possible.
4. Class room behavior: We hold ourselves to a high standard of professional behavior. Private conversations, browsing the web, checking email will be considered inappropriate. If you do it, you will be cold called. If you repeatedly do it, your participation grade will be affected.
5. Recording: No student may record or tape any classroom activity without my explicit written consent.
6. Final score regrading: any regrading request must be submitted to the economics program at the beginning of the Spring 2014 semester.

Additional Homework Rules:

1. Turning in Homework: Homework must be turned in on the day it is due (usually on a Friday) in the undergraduate program office in Tepper 139 or if specified during the recitation. Do NOT leave it under my office door. Late homework will NOT be accepted unless you have a verifiable medical problem (i.e. a note from a medical practitioner stating you are too ill to complete your assignment).
2. Homework regrading: There is a statute of limitations on regrades. If you believe a question has been incorrectly graded or your score on blackboard has been entered incorrectly, please take your homework to your TA within 2 weeks of it being returned. Regrading requests must be typed and contain an explanation of the reasons the question should be re-graded.

3. Working in groups: You may work in groups of up to 4. BUT: You MUST put names of other group members on your homework. You MUST write up your own set of answers. Do NOT simply copy some other person's work. Copied homework will result in receiving zero points for that homework as a minimum sanction.
4. TYPE your work. Equations may be hand written. Write your first and last name on the title of each graph. Graphs that do not contain data may be hand drawn.
5. Buy a stapler!

Take Care of Yourself.

Do your best to maintain a healthy lifestyle this semester by eating well, exercising, avoiding drugs and alcohol, getting enough sleep and taking some time to relax. This will help you achieve your goals and cope with stress.

All of us benefit from support during times of struggle. You are not alone. There are many helpful resources available on campus and an important part of the college experience is learning how to ask for help. Asking for support sooner rather than later is often helpful.

If you or anyone you know experiences any academic stress, difficult life events, or feelings like anxiety or depression, we strongly encourage you to seek support. Counseling and Psychological Services (CaPS) is here to help: call 412-268-2922 and visit their website at <http://www.cmu.edu/counseling/>. Consider reaching out to a friend, faculty or family member you trust for help getting connected to the support that can help.

Schedule

Important dates:

- Midterms:
 - Midterm 1: Oct 9th, 2017
 - Midterm 2: Nov 6th, 2017
- Final exam date:

TBA

(for updates check: <http://www.cmu.edu/hub/docs/final-exams.pdf>).

On the next page is a tentative schedule, refer to Blackboard for updates on dates and topics.

Week	Monday	Wednesday	Friday
1	(Aug 28) Introduction [ch. 1]	(Aug 30) Measurement: levels and GDP [ch.2]	(Sep 1)
2	(Sep 4) No Class - LABOUR DAY	(Sep 6) Nominal and Real Quantities [ch.3]	(Sep 8) HW 0 Due
3	(Sep 11) The Consumer [ch.4]	(Sep 13) The Consumer [ch.4]	(Sep 15)
4	(Sep 18) The Firm [ch.4]	(Sep 20) The Firm [ch.4]	(Sep 22) HW 1 Due
5	(Sep 25) The Government and Equilibrium [ch.5]	(Sep 27) Equilibrium and Pareto Optimality [ch.5]	(Sep 29)
6	(Oct 2) Taxation and spending [ch.5]	(Oct 4) Review	(Oct 6) HW 2 Due
7	(Oct 9) Midterm 1	(Oct 11) Unemployment: Search [ch.6]	(Oct 13)
8	(Oct 16) Unemployment: Vacancies [ch.6]	(Oct 18) Measurement: Growth and Fluctuations [ch.3 & ch.7]	(Oct 20) No class
9	(Oct 23) Growth: Malthus [ch.7]	(Oct 25) Growth: Solow [ch.7]	(Oct 27)
10	(Oct 30) Growth: Solow (Dynamics and Policy) [ch.7 & ch. 8]	(Nov 1) Review [ch.7]	(Nov 3) HW 3 Due
11	(Nov 6) Midterm 2	(Nov 8) Saving and Investment [ch.9]	(Nov 10) No class
12	(Nov 13) Ricardian Equivalence [ch.9]	(Nov 15) Business Cycles: Measurement [ch.3]	(Nov 17) HW 4 Due
13	(Nov 20) Inter-temporal Model: Labor and Investment [ch.11]	(Nov 22) No Class - THANKSGIVING	(Nov 24) No Class
14	(Nov 27) Inter-Temporal Model: Equilibrium and Policy [ch.11]	(Nov 29) Money and Banking [ch. 17]	(Apr 30)
15	(Dec 4) Money and Banking [ch.17]	(Dec 6) Review	(Dec 8) HW 5 Due