

**Intermediate Macroeconomics**  
**Economics 102 – 10**  
**Summer school 2016: June 6<sup>th</sup> to July 8<sup>th</sup>**

**Instructor:** Nishtha Kochhar

**Class Location:** Reiss 264

**Class Day & Time:** Monday to Thursday 1 – 3 pm

**Office Hours:** Tuesday 3:30-4:30 pm, or by appointment (ICC 3<sup>rd</sup> floor)

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The course aims to develop a theoretical framework for thinking about the measurement/determination of macroeconomic variables in the economy such as national output (or the total amount of a nation's economic activity), economic growth, unemployment, inflation, and exchange rates. While discussing these topics, our focus will be on the role of alternate fiscal and monetary policies seeking to facilitate full employment, economic growth and price stability. By the end of the course, students should be able to think critically about macroeconomic problems and questions. The theoretical framework that students develop here can be used to interpret macroeconomic data and to analyze macroeconomic policy.

The **prerequisites** for this course are 'Principles of Economics' and a first course in calculus.

**Recommended Textbooks:**

Abel, A., Bernanke, B., & Croushore, D. (2013). *Macroeconomics* (8 ed.). Prentice Hall.

Blanchard, O., & Johnson, D. R. (2012). *Macroeconomics* (6 ed.). Pearson.

Mankiw, G. N. *Macroeconomics* (8 ed.). Worth publishers .

**Course Grades:**

- **Homework/Assignments/Quizzes** (40 per cent): Each week, one or two homework/quizzes will be assigned. You are encouraged to work in groups but each of you turns in her/his own work.
- **Final Exam** (60 per cent): Will include the entire course material.

Letter grades will be assigned at the end of the course. Grading will follow the Grading Guidelines of the Economics Department. This means grades might be assigned on a curve, if necessary.

There is NO make-up exam for the final. If for any valid reasons, you cannot take the final exam on the scheduled date, then you must take it before the scheduled date. "Valid" reasons must be confirmed by your Dean through a phone call or an email. The following circumstances are not acceptable reasons to miss a midterm or take

an early final exam: having a paper due on the exam date, having a second exam right after or before this exam, feeling that you could benefit from a little extra study time, oversleeping, not getting enough sleep, or having made plans to travel on the day of the exam.

Suspected violations of the Georgetown Honor Code ([www.georgetown.edu/honor](http://www.georgetown.edu/honor)) will be reported to the Honor Council. Students found guilty will receive a grade 'F' for the course.

### **Lecture Overview:**

The lectures will follow the topics in the textbooks closely. The lectures will be based on a combination of the three books, often supplemented by my notes, so attendance is highly encouraged but not mandatory. Because the lectures will cover key topics of each of the themes, reading and studying the textbook (of your own choosing) is an essential part of the course towards comprehensive understanding of the topics. All the course material will be uploaded on Blackboard.

### **Course Calendar (tentative):**

I will update this section for chapter references soon.

#### **Week 1: Core and short run**

- Measurement of National Income
- Three markets in the economy: Goods market (IS), Financial market (LM), Labour market (AS)

#### **Week 2: Short run to Medium run**

- Interactions between Goods market and Financial market (IS-LM model)
- Putting it all together- Aggregate demand and Aggregate Supply (AD-AS model)
- Theory of fluctuations: Business cycles, unemployment and inflation, Keynesian and classical models of fluctuations- price rigidity versus price flexibility

#### **Week 3: Long run- Economic growth**

- Evolution of economy over time- savings, capital accumulation and output and policy implications

#### **Week 4: Key extensions**

- Fiscal and Monetary policy to smooth fluctuations in the economy
- Open Economy

#### **Week 5: Wrap up of topics, review of material and final exam**