Macroeconomics is concerned with the behavior of the economy as a whole. It is the study of relationships and linkages among economic variables that affect the aggregate level of output, employment, prices and interest rates in all markets. In this course, the complicated details of the macroeconomy will be reduced to a few manageable essentials. These essentials lie in the interactions between three major markets: the goods market, the assets market and the labor market. The goal of this course is to provide students with the theoretical underpinnings for the analytical tools commonly applied in the study of these markets and how they may be utilized to determine the aggregate level of output, employment, prices, interest rates and economic growth. While the course will be theory-based, there will also be various expositions of practical policy matters currently facing the U.S. economy.

Part I. Introduction, Chapter 1
  National Income Accounting, Chapter 2

Problem Set 1

Part II. Growth, Aggregate Supply and Demand
  Growth and Accumulation: The Neoclassical Model, Chapter 3
  Growth and Policy: Endogenous Growth, Chapter 4

Problem Set 2

  Aggregate Supply and Demand, Chapter 5
  Aggregate Supply, Wages, Prices and Employment, Chapter 6
  The Tradeoffs between Inflation and Unemployment: The Phillips Curve, its uses and its flaws, Chapter 7

Problem Set 3
Part III. First Models
   Income and Spending, Chapter 9
   The Demand for Money: Chapter 15

Problem Set 4
   Money, Interest and Income, Chapter 10
   Monetary and Fiscal Policy, Chapter 11
   International Linkages, Chapter 12

Part IV (Time permitting) Introduction to the New Macroeconomics

Problem Set 5

Grading: The final grade will be a weighted sum of five homework assignments, a midterm exam and a final exam. The weighting is as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework</td>
<td>20%</td>
</tr>
<tr>
<td>Midterm</td>
<td>35%</td>
</tr>
<tr>
<td>Final</td>
<td>45%</td>
</tr>
</tbody>
</table>

Late homework assignments will not be accepted after the due date. Problem Set 6 will be optional conditional upon whether the class progresses through Part IV.

Exams: There will be five homework assignments and two exams; a midterm and a final. The midterm date will be Thursday October 27th. The date of the final will be during exam week and will be announced when available. Students must take the exams on the dates scheduled. Under no circumstances will a makeup exam be given. Any exam that is missed will receive a grade of zero. Both exams will be closed book. The exams will be in short answer and essay format. The final exam will be cumulative.

Notes:
1) The lecture topics will generally follow the assigned chapters in the book. However, not every topic discussed in the lectures can be found in the book. Therefore it is important that students attend each and every lecture.
2) The lectures in this course assume a competency in basic algebra, geometry and some limited calculus. For example, students should be comfortable solving simultaneous equations and be comfortable working with graphs. With respect to calculus, students should understand rates of change and basic differentiation.
3) It is important to keep up with domestic and international economic news and data. Students should consider reading on a regular basis, such publications as The Wall Street Journal, the Business section of the New York Times, the Economist magazine and the Financial Times. We will discuss important economic events when and where appropriate. Participation in these discussions is an important component of understanding the course material and students are urged to contribute to and/or initiate discussions.