

EC204 Macroeconomic Theory Honors

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Overview

This course provides an intermediate treatment of macroeconomics for honors undergraduate students. The objective of the course is to give the students the necessary tools to understand critically the evolution of the economy, particularly in the post-war period, and to evaluate the current debates about macroeconomic policy. The treatment of the subject is more formal than in standard intermediate macro courses.

Required Background

Algebra and calculus will be used. A review of the necessary mathematical tools will be provided during the course.

Exercises, Exams and Grading

Students are expected to work through a set of exercises. A mid-term exam will count for 40% of the total grade, while a final exam will count for 60%. Exercises are an integral part of the course and are compulsory.

Textbook

The main textbook is:

N.G.Mankiw, **Macroeconomics**, (fourth edition), Worth Publishers, 2000.
(M from now on)

Additional material will be distributed in class, particularly on contemporary topics in the macroeconomic policy debate.

Outline

1) Introduction: Basic Framework and Measurement

M., Ch.1,2, 3 (3 is the most important)

2) Equilibrium with Flexible Prices

M, Ch. 3

3) Economic Growth

M, Ch. 4, 5

4) An Introduction to Unemployment

M, Ch. 6

5) Money and Prices

M, Ch. 7.

6) The Basic IS-LM Model and Aggregate Demand

M, Chs, 10, 11 (Ch. 9 is an introductory chapter)

7) Aggregate Supply

M, Ch.13

8) The Macroeconomic Policy Debate

M, Ch. 14

9) The Open Economy

M, Chs.8 and 12

10) Consumption and Investment

M, Chs. 16 and 17

11) Government Debt

M, Ch. 15

12) Money Demand and Money Supply

M, Ch. 18