

Econ 642: Topics in Applied Macroeconomics
Course Information and Syllabus
Fall 2016

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Office: Morrill 1102C

Office Hours: Wednesdays 5:30-6:30, and by appointment

Lecture: Wednesdays 6:30-9:15 p.m.

Class Location: Tydings 0111

Teaching Assistant: Ernest Koh

Teaching Assistant Office: Morrill 1102D; Office hours: Tues, Wed, and Thurs 5:15 - 6:15

Teaching Assistant Email: CPmastersTA@econ.umd.edu

A. Overview

In this class we will develop models to explain the performance and structure of the economy as a whole in both the long and short run. These models will provide a set of tools to understand the determinants of gross domestic product, inflation and unemployment and the effects of monetary and fiscal policies on these variables. By the end of the course you should be able to analyze the economic effects of government policies and identify and interpret key leading and lagging economic indicators.

B. Course Objectives

The class objectives are aimed to coordinate with the objectives of the degree program. In particular, we will develop: (1) the ability to apply macroeconomic theories to policy discussions; (2) the ability to communicate economic ideas to a broader audience; (3) the ability to understand, evaluate and analyze economic data; and (4) the ability to evaluate the effectiveness of policy programs using sound economic techniques

C. Required Text and Supplemental Materials

The main focus will be on the readings and lecture materials. The only required text for class is *Macroeconomics*, Twelfth Edition, by Dornbusch, Fischer, and Startz. (McGraw Hill Education). I will also supply supplemental materials for those interested in later pursuing a PhD. These sources will include materials from David Romer's *Advanced Macroeconomics*, 4th edition, McGraw-Hill Irwin and other journal articles. Note that the supplemental readings are beyond the scope of this class.

D. Prerequisites

Admission to the Master of Professional Studies Program in Applied Economics. Note: Admission to the program requires grades of at least B in an introductory macroeconomics course and at least B- in an introductory course in calculus.

E. Course Requirements

The course grade will be averaged together with the following weights:

Midterm 1	20%
Midterm 2	20%
Final	30%
Presentations	10%
Weekly Problem Sets	10%
Final Research Paper	10%

Exams. The exams will look similar in many ways to the problem sets, so successfully completing the problem sets will greatly assist you in studying for exams. If you feel you have not mastered a problem from the problem sets, please let me know and we can help you understand the concepts covered. This is good preparation for exams.

Weekly Problem Sets/Case Studies. Problem sets are a major part of learning the material in the course. Not only can the problems connect theory to real life, but they have a way of making the course more fun and interesting. Some problems will be similar to those seen at the end of the chapters in the book, while others will be case studies, requiring application of our studies to real world events. The dates of the problems sets are marked in the class schedule in this syllabus.

Macroeconomics Research Paper. Each student will be asked to identify a macroeconomic issue or topic of personal interest, and then conduct a 5-7 page research paper on this topic. The paper will apply a macroeconomic model or subject studied in our course or to a current issue in the world. The topic can be flexible, but I will want to work with you on choosing the topic and the themes. I will like to speak individually with each of you about your papers: the choice of topic, the outline, and some editing as the process goes on over the semester.

Participation / Presentations. We will have multiple presentations from each student. Each will be asked to prepare a formal presentation, including PowerPoint slides. The object is to create a discussion-based course. Students who are not presenting are tasked with participating with the discussion at hand. This is a very important skill for economists in a professional environment. It also makes for a better, more interesting class together. I will bring more details on these presentations in the first weeks of class.

F. Letter Grades

Using the above course requirements, letter grades will be determined in the following table:

93-100	A
90-92	A-
80-89	B+
70-79	B
60-69	B-
50-59	C+
40-49	C
30-39	C-
20-29	D+
10-19	D
0-9	F

G. Late Penalty

All homework, assignments and discussions are subject to late penalties. The penalties are as follows: 20% for first day, 25% for second day, 30% for third day, 35% for fourth day, 40% for fifth day, 45% for sixth day, 50% for seventh day and so on. Late penalties apply except when prior approval is obtained.

H. Tentative Outline of Major Topics / Assigned Readings

The course will follow the textbook. We will generally cover 1-2 chapters per week. There are more chapters than weeks in the semester, so a number of the chapters will be emphasized more than others.

(The calendar of assignments, readings is on the following page)

Schedule for Assignments and Readings

Date	Chapter	Topic	Conceptual Problems	Technical Problems
August 31	1	Introduction		
	2	National Income Accounting		
September 07	3	Growth and Accumulation	Chapter 2: 1-6	Chapter 2: 1-6
	4	Growth and Policy		
September 14	5	Aggregate Supply and Demand	Chapter 3: 1-6	Chapter 3: 1-7
	6	Aggregate Supply and the Phillips Curve	Chapter 4: 1-6	Chapter 4: 1-4
September 21	7	Unemployment	Chapter 5: 1-5	Chapter 5: 1-2
	8	Inflation	Chapter 6: 1-7	Chapter 6: 1-5
September 28	Mid-term Exam 1 (FIRST 90 Minutes of class)			
	Case Studies: United States and Japan		Read Articles Provided in class	
October 05	9	Policy Preview	Chapter 7: 1-5	Chapter 7: question 1
	10	Income and Spending	Chapter 8: 1-4	Chapter 8: 1-3
October 12	11	Money, Interest, and Income	Chapter 9: Question 1	Chapter 9: Question 1
	12	Monetary and Fiscal Policy	Chapter 10: 1-5	Chapter 10: 1-5
October 19	Case Studies: Policymakers, Institutions		Read Articles Provided in class	
	13	International Linkages	Chapter 11: 1-5	Chapter 11: 1-3, 5-7
October 26	14	Consumption and Saving	Chapter 12: 1-6	Chapter 12: 1-4
	15	Investment Spending	Chapter 13: 1-10	Chapter 13: 1-5
November 02	16	The Demand for Money	Chapter 14: 1-7	Chapter 14: 1-3
	17	The Fed, Money, and Credit	Chapter 15: 1-8	Chapter 15: 1-4
November 09	Mid-Term-Exam 2 (FIRST 90 MINUTES of Class)			
	Case Studies: China, Russia, and India		Read Articles Provided in class	
November 16	18	Policy	Chapter 16: 1-6	Chapter 16: 1-2
	19	Financial Markets and Asset Prices	Chapter 17: 1-8	Chapter 17: 1-3
November 23	THANKSGIVING			
November 30	20	The National Debt	Chapter 18: 1-6	Chapter 18: 1-3
	Case Studies: The EU, Venezuela		Chapter 19: 1-6	Chapter 19: 1-2
December 07	21	Recession and Depression	Chapter 20: 1-3	Chapter 20: 1-2
	22	Inflation and Hyper Inflation	Chapter 21: 1-3	Chapter 21: 1-2
December 14	Final Exam			
	Final Paper (Can Email by Saturday Dec. 17)			

I. Logistical and Program Information and Policies

Course Website: Copies of the course syllabus, your grades, and other relevant links and documents will be posted on the course's ELMS/Canvas website. You can access the site via www.elms.umd.edu. You will need to use your University of Maryland "directory ID" and password.

Email: Email is the primary means of communication outside the classroom, and I will use it to inform you of important announcements. Students are responsible for updating their current email address via <http://www.testudo.umd.edu/apps/saddr/> AND for paying attention to messages I send to the class via ELMS. Failure to check email, errors in forwarding email, and returned email due to "mailbox full" or "user unknown" will not excuse a student from missing announcements or deadlines. I will do my best to respond to email within 36 hours.

Work Load: Mastering the material covered in this course requires a significant amount of work outside of class. Students should expect to spend more time outside of class than in class – typically at least twice as much time.

Academic Integrity: The University of Maryland has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate and graduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see www.studenthonorcouncil.umd.edu

Student Conduct: Students are expected to treat each other with respect. Disruptive behavior of any kind will not be tolerated. Students who are unable to show civility to one another or myself will be referred to the Office of Student Conduct. You are expected to adhere to the Code of Student Conduct.

Medical Excuses: If you miss any class meetings for any reason, you are still responsible for all material covered during the meeting you missed. It is your responsibility – not the instructor's – to catch up on the missed material. Instructors routinely facilitate things by posting lecture notes, etc.

If you need to miss an exam or other graded course requirement because of illness, injury, or some other emergency: Follow doctor's orders and get documentation. Get in touch with the instructor as soon as you're able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. You are entitled to recover before you make up the course requirement, but you are not entitled to extra days to study beyond the time the doctor's note says you're incapacitated. If you are incapacitated for more than a week or so beyond the end of the term, your grade in the course will be an "Incomplete". In such cases you must negotiate a plan with your instructor for completing the course requirements. Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

School Closings and Delays: Information regarding official University closing and delays can be found on the campus website and the snow phone line: (301) 405-SNOW (405-7669). The program director will also announce cancellation information to the program as an announcement on the program's ELMS/Canvas site. This will generally be done by 1:00 p.m. on days when weather or other factors are an issue. If classes need to be cancelled during the semester, it may be necessary to move the final exam back a week so missed classes can be made up.

Students with Disabilities: The University of Maryland does not discriminate based on differences in age, race, ethnicity, sex, religion, disability, sexual orientation, class, political affiliation, and national origin. Reasonable accommodations will be made to students with documented disabilities. I will make every effort to accommodate students who are registered with the Disability Support Services (DSS) Office and who provide me with a University of Maryland DSS Accommodation form.

Academic Progress: The graduate school requires that students maintain a GPA of at least 3.0. Students whose cumulative GPA falls below 3.0 will be placed on academic probation by the graduate school. Students on academic probation must ask the program's director to petition the graduate school if they want to remain in the program. The petition must include a plan for getting the student's GPA up to at least 3.0. Students who do not live up to their plan can be forced to leave the program without having earned the degree. Note: a grade of "B" corresponds to a GPA of 3.0. A grade of "B-" corresponds to a GPA of 2.7.

Access to Morrill Hall and Morrill 1102: Morrill Hall is locked every day from 7:00 p.m. - 7:00 a.m. Your university ID gives you swipe access to the back door of the building.