

# ECON 642 – Syllabus

## Topics in Applied Macroeconomics

The Master of Science in Applied Economics Program University  
of Maryland  
Summer 2022 – District of Columbia

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**Instructor:** Dr. Arto Kovanen, Senior Adjunct Lecturer

**Email:** [akovanen@umd.edu](mailto:akovanen@umd.edu)

**Office hour:** Mondays, held online only (via WebEx), from **5:00 – 6:00 p.m.** (I am available to discuss course-related issues at other times by appointment).

**Class meetings:** Tuesdays, held in class, from **6:45 – 9:30 p.m.** (Eastern Standard Time, EST), which includes a 15-minute break (approximately in the middle). Pre-lecture notes and other material will be posted on the ELMS/Canvas in advance to complement material covered during class meetings.

**Classroom:** Location is 1400 Sixteenth Street, N.W., Washington, D.C., Suite 140.

**Teaching Assistant:** Kanat Isakov

**Email:** [kisakov@umd.edu](mailto:kisakov@umd.edu)

**Office hour:** Saturdays, from **12 noon to 1:00 p.m.**

**Course prerequisite:** Admission to the University of Maryland’s Master of Science (M.Sc.) Program in Applied Economics.

**Course description:** This is the core macroeconomics course for the M.Sc. Program in Applied Economics. It develops a strong understanding of macroeconomic behavior and adjustment in the short and long run, and how governments and monetary authorities influence macroeconomic conditions through their policies.

**Course objectives:** The M.Sc. in Applied Economics Program lists following general learning outcomes for students:

- 1. Ability to understand, evaluate and analyze economic data**
2. Ability to understand and interpret statistical evidence from economic data
- 3. Ability to apply empirical evidence to assessing economic arguments**
- 4. Ability to apply macroeconomic theories to policy discussions**
5. Ability to apply microeconomic theories to policy discussions
- 6. Ability to communicate economic ideas to a broader audience**
7. Ability to evaluate the effectiveness of policy programs using sound economic techniques

This course focuses on learning outcomes related to 1, 3, 4, and 6 (highlighted).

**Course textbooks and other learning materials:**

- A. Primary text is N. Gregory Mankiw (NGM, 2019). Macroeconomics, 10<sup>th</sup> edition (ISBN # 978-1-319-10605-8 (epub) and ISBN # 978-1-319-10599-0 (hard copy)). With some qualifications, students may also use the 8<sup>th</sup> and 9<sup>th</sup> editions, keeping in mind that some content has been amended in the most recent edition.
- B. Supplementary reading materials will be posted on ELMS/Canvas throughout the course, as considered relevant for topics under discussion.

The course will require a considerable time commitment. I wish to emphasize that it will be essential for students to familiarize themselves with the pre-lecture notes and any other material before class, which will assist them in learning and absorbing the subject matter of the course.

**Grading policy:** Final grades for this course will be based on the following assignments and weights:

A. Midterm exam	25 %
B. Final exam (not comprehensive)	35 %
C. Homework assignments (total 8)	20 %
D. Online discussions (total 8)	10 %
E. Group projects (preparation and presentation)	10 %
<b>Total</b>	<b>100 %</b>

At the end of the course, each student will receive a numerical grade (percent of the total), reflecting his/her performance, which is then converted into a letter grade. Table 1 below provides the scale for letter grades, calculated on the basis of results for above assignments and weights (grades will not be curved). At my discretion, I will assign a letter grade A + to a few top performers in the class.

**Table 1: Grading scale**

Numerical grade	Letter grade
93.0 >	A / A +
90.0 - 92.9	A -
80.0 - 89.9	B +
70.0 - 79.9	B
60.0 - 69.9	B -
50.0 - 59.9	C +
40.0 - 49.9	C
30.0 - 39.9	C -
20.0 - 29.9	D +
10.0 - 19.9	D
Less than 10.0	F

**Midterm and final exams:** Both exams will be administered in class. The final exam will not be comprehensive. Midterm exam will be held in class on Tuesday, July 13, 2022. The

final exam will be held in class on Tuesday, August 16, 2022, as shown in Table 2. Both exams will begin at 6:45 p.m. on the day of the exam and will last for two (2) hours. Further instructions on how exams are administered will be posted on the ELMS/Canvas in due course.

**Homework:** Homework assignments will play an important part in the learning process. I will assign new homework every Wednesday, except after Meetings # 5, 6, 11 and 12. There will be a total of eight (8) homework assignments. Each assignment will be due on the following Tuesday (at midnight, EST), subsequent to posting on the ELMS/Canvas. Students are permitted to discuss homework assignments among themselves, but each student is required to turn in his/her individual work (through ELMS/Canvas, no paper copies are accepted).

**Online discussion topics:** Online discussion topic assignments are intended to help students develop ability to think like an economist and analyze economic problems. I will assign a total of eight (8) discussion topics that are posted on the ELMS/Canvas every Wednesday, except after Meetings # 5, 6, 11 and 12. Each discussion topic assignment will remain accessible until the following Tuesday (midnight, EST) when it will be due. Students are highly encouraged to suggest topics for discussion assignments.

**Online discussion assignment guidelines:**

- A guiding principle for online discussion assignments is to develop skills to think analytically and provide critical and constructive feedback on the discussion topic that has been assigned.
- Each student is required to post one original response to each assignment on the ELMS/Canvas, before he/she can comment on other students' submissions.
- Group postings are not accepted, but students are permitted to discuss the online discussion topic assignments with other students.
- Students are expected to support their argumentation with economic analysis, not by merely providing personal views/opinions on the subject at hand.
- I plan to participate in the weekly online discussions by commenting on students' submissions and offering ideas and suggestions to advance the discussion.
- Grading of each online discussion is based on participation and content as follows:
  - **Full points**, student makes his/her original posting and supports it with economic analysis;
  - **Half of the points**, student makes his/her original posting, but fails to support it with economic analysis; and
  - **No points**, a student does not participate in the online discussions within the provided time limit during the week.

**Group project:** Teams (comprise 3 students) are assigned to prepare short presentations that will analyze macroeconomic topics relevant for the course. Each team is expected to produce a PowerPoint presentation (approximately length 10-15 minutes) that will be presented in class. I will review and comment on each presentation before its finalization. Final versions of PowerPoint presentations will be posted on the ELMS/Canvas ahead of presentations in class, so that students have the opportunity to review them and think of questions/comments during the class discussions of the presentations. I will post further instructions on the modalities for group projects on the ELMS/Canvas in due course.

**Other considerations:**

- Please note that submissions (such as homework, exams, postings, course projects, and presentations) must be legible, clearly written, and neatly organized.
- Late submissions will not be accepted, and no credit will be given for assignments and/or exams that have not been submitted on time. Relevant deadlines will be posted clearly on the ELMS/Canvas. University of Maryland's policy on excused absences applies (see below for further guidance).

**Course outline (tentative, subject to modifications):**

Below is a tentative outline for the course, which covers key foundational ideas that have been broadly established and accepted in the economics profession (Table 2). In addition to information provided in the course textbook and pre-lecture notes, additional material will be distributed and posted on the ELMS/Canvas throughout the course. They are intended to enhance learning experience and develop capacity to understand and analyze economic issues and policies.

**Table 2: Course outline (tentative, subject to change)**

<b>Week:</b>	<b>Lecture topic/Assignments:</b>	<b>Notes/Chapters:</b>
<b>Meeting # 1</b> May 31, 2022	Introduction and preliminaries Discussion Topic # 1 and HW # 1	NGM: Chapters 1 – 3 Pre-lecture notes (PP)
<b>Meeting # 2</b> June 7, 2022	Economy in the long run Discussion Topic # 2 and HW # 2	NGM: Chapter 8 Pre-lecture notes (PP)
<b>Meeting # 3</b> June 14, 2022	Economy in the long run (cont.) Discussion Topic # 3; HW # 3	NGM: Chapter 9 and Appendix to Ch. 9 Pre-lecture notes (PP)
<b>Meeting # 4</b> June 21, 2022	Economic fluctuations in the short run Discussion Topic # 4; HW # 4	NGM: Chapters 5, 7, 10, and 14 Pre-lecture notes (PP)
<b>Meeting # 5</b> June 28, 2022	Introduction into the Keynesian model Discussion Topic # 5; HW # 5	NGM: Chapter 11 Pre-lecture notes (PP)
<b>Meeting # 6</b> July 5, 2022	Fiscal and monetary policies in the Keynesian model No new assignments	NGM: Chapter 12 Pre-lecture notes (PP)
<b>Meeting # 7</b> July 12, 2022	<b>Midterm exam</b> Held in class, closed books/notes Exam will cover material for Meetings # 1 – 4 No new assignments <b><u>Time of midterm exam: from 6:45 p.m. to 8:45 p.m.</u></b>	
<b>Meeting # 8</b>	Money, inflation, and interest rates	NGM: Chapters 4, 15

July 19, 2022	Discussion Topic # 6; HW # 6 <b>Group presentations begin</b>	Pre-lecture notes (PP)
<b>Meeting # 9</b> July 26, 2022	Financial markets and banking Discussion Topic # 7; HW # 7 <b>Possible guest speaker</b>	NGM: Chapter 18 Pre-lecture notes (PP)
<b>Meeting # 10</b> August 2, 2022	Open economy extension of the IS - LM Discussion Topic # 8; HW # 8	NGM: Chapters 6, 13 Pre-lecture notes (PP)
<b>Meeting # 11</b> August 9, 2022	Open economy extension (continue) Putting it all together/special topics No new assignments	NGM: Chapters 16, 17 & Appendices Pre-lecture notes (PP)
<b>Meeting # 12 Final Exam</b> August 16, 2022	Held in class, closed books/notes Exam will cover material for Meetings # 5, 6 and 8 - 11 <b><u>Time of final exam: from 6:45 p.m. to 8:45 p.m.</u></b>	

### Other Standard Policies for the Program and the University of Maryland

Policies related to all graduate courses at the University of Maryland are posted on this page of the Graduate School's website: <https://gradschool.umd.edu/faculty-and-staff/course-related-policies>.

Please familiarize yourself with these policies related academic integrity, non-discrimination policy, accessibility, absences and accommodations, grading, academic standing, grievance procedures, and other important policies.

**Email:** The University has adopted email as the primary means of communication outside the classroom, and I will use it to inform you of important announcements. The University creates an "@umd.edu" email address for every graduate student. All official UMD communications will be sent to students at their "@umd.edu" email address. You are responsible for reading your @umd.edu email address, including ELMS/Canvas Announcements I send to the class. You should make sure ELMS/Canvas Announcements and messages are forwarded to an email address that you check regularly. 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.

**Course Website:** Copies of the course syllabus, student's grades, and other relevant links and documents will be posted on the course's ELMS/Canvas website. Students can access the site via [www.elms.umd.edu](http://www.elms.umd.edu). They will need to use their University of Maryland "directory ID" and password.

**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. The courses in our DC program are 12-week courses that cover all the same material as a traditional semester-long 3-credit course (15 weeks). The compressed schedule makes it possible to complete our degree in just 15 months if you take 2 courses each term. But the compressed schedule also implies an accelerated pace with an average of 25% more work per week in a given course ( $15/12 = 1.25$ ). The normal full-time load in a master's program is 3 courses per semester, or 6 courses per year. The weekly workload when taking 2 of our DC courses per term is equivalent to the load from 2.5 "normal" 15-week courses - so  $2.5/3.0 = 83\%$  of a full-time load. However, the DC program takes just 1 week off between terms. Students who take 2 courses per quarter in our program complete 8 courses per year. So, over the course of a year, taking 2 courses per quarter in our DC program is equivalent to 133% of a "normal" full-time load in the traditional semester-based program ( $8/6 = 1.33$ ).

**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.

**Excused Absences:** If you miss any class meetings for any reason, it is your responsibility to work with the instructor to make sure you 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. When classes need to be canceled during the semester, we make every effort to schedule makeup classes.

**UMD Counseling Center:** Sometimes students experience academic, personal and/or emotional distress. The UMD Counseling Center in Shoemaker Hall provides free,

comprehensive, and confidential counseling / mental health services that promote personal, social, and academic success. All Counseling Center services are completely free for enrolled students. Proactively explore the range of services available at the Counseling Center, including the Counseling Service and Accessibility and Disability Service described at <http://www.counseling.umd.edu/>.

**Graduate Academic Counselor:** The UMD Graduate School also has an academic counselor available to support students who are having difficulty navigating mental health resources on campus, are considering a leave of absence and/or need assistance finding mental health care off campus. The Graduate Academic Counselor also facilitates bi-weekly Graduate Student Circle Sessions which provide an opportunity to learn about resources and connect with other graduate students. Students can learn more about the Graduate Academic Counselor by going to: <https://gradschool.umd.edu/gradcounselor>.

**Course Evaluations:** Near the end of the term, you will receive an email inviting you to submit a voluntary and anonymous course evaluation. Your feedback on courses will be very helpful in improving the quality of instruction in our program.

**Building Access:** There is a smartphone app that can be used to enter our building after normal business hours. The program coordinator will provide information about this. We will also provide information about the code for entering the front door of our suite. Please make sure you are receiving the ELMS-Announcements that we send out to the program about these and other important matters.

**COVID Policies:** Up-to date information about UMD COVID-19 policies and guidance are posted at <https://umd.edu/4Maryland>. Given the evolving nature of the pandemic, the guidance and polices are subject to change. The plans are always coordinated with state and county health officials, with additional guidance provided by the University System of Maryland. The focus will always be on the health and well-being of our entire campus community.

We strongly urge all students, staff and faculty to read announcements they receive about COVID-related guidance and policy, and to stay familiar with the information. We thank you all for your individual efforts to help protect the collective health of our entire community.