

ECON 642 – Syllabus

Topics in Applied Macroeconomics

The Master of Science in Applied Economics Program
University of Maryland
Summer 2023 – District of Columbia

Instructor: Dr. Arto Kovanen, Senior Adjunct Lecturer

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Office hour: Mondays, held online only (via Zoom link), from **5:00 – 6:00 p.m.** (I am available to discuss course-related issues at other time by appointment). Zoom link will be provided separately.

Class meetings: held in class on Tuesdays, 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 materials will be posted on the ELMS/Canvas in advance to complement materials covered during class meetings.

Classroom: Located at 1400 Sixteenth Street, N.W., Washington, D.C., Suite 140.

Teaching Assistant: Luis Jaramillo

Email: lfj@umd.edu

Office hour: **Fridays, from 5:30 – 6:30 p.m. Only online, with Zoom link:** <https://umd.zoom.us/j/2512744950?pwd=V0ExcFdtaHlGOENzVzE1T1FvVFg5QT09> (apply the password: linkages)

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, 10th edition (ISBN # 978-1-319-10605-8 (epub.) and ISBN # 978-1-319-10599-0 (hard copy)). With some qualifications, students may use earlier 8th and 9th editions, as well as the newest 11th edition, keeping in mind that some content may have been amended in these other editions.
- B. Supplementary reading materials will be posted on ELMS/Canvas throughout the course, as relevant for topics covered during the course.

I wish to emphasize that the course will require a considerable time commitment. It will be essential for students to familiarize themselves with pre-lecture notes before coming to class and other material as it would help them learn and absorb 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 %
Total	100 %

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 that is used for determining 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. Final exam will not be comprehensive. As shown in Table 2 below, midterm exam will be held in class on Tuesday, June 27, 2023, and final exam will be held in class on Tuesday, August 15, 2023. 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 these exams and how they are administered will be posted in due course on the ELMS/Canvas.

Homework: Homework assignments will play an important role in the learning process. I will assign homework every Wednesday, except after Meetings # 5, 9, 11 and 12. There will be a total of eight (8) homework assignments. Each homework is weighted equally (i.e., each assignment will receive 1/8th share of the 20% weight assigned for homework in the final grade). Homework assignments are due at noon (EST) on Wednesdays following their postings. Students are permitted to discuss homework assignments among themselves, but each student is required to turn in his/her individual work (by posting it on the web; no paper copies are accepted).

Online discussion topics: Online discussion topic assignments are intended to develop students' ability to think like an economist and analyze economic problems systematically. I will assign a total of eight (8) discussion topics that will be posted on the ELMS/Canvas each Wednesday, except after Meetings # 5, 9, 11 and 12. Each discussion topic is weighted equally (i.e., each assignment will receive 1/8th share of the 10% weight assigned for these assignments in the final grade). Discussion topic assignments will remain accessible until noon (EST) on Wednesdays following their postings. After posting their own submissions, students will be able and are encouraged to comment on other students' submissions.

Online discussion assignment guidelines:

- A guiding principle for online discussion assignments is to develop capacity to think analytically and provide critical and constructive feedback on the topic that has been assigned for the week.
- Each student is required to post one original response for each assignment on the ELMS/Canvas, before he/she may 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 logic/analysis, not by merely providing personal views/opinions on the subject at hand.
- I intend to participate in weekly online discussions by commenting on submissions and offering suggestions to help advance discussions.
- Grading of each online discussion is based on participation and content as follows:
 - **Full (10) points:** student makes his/her original posting and supports it with appropriate economic analysis.
 - **Partial (1 – 9) points:** student makes his/her original posting but falls short of making a substantive contribution and/or fails to support it with adequate argumentation and/or economic analysis.
 - **No (0) points:** student does not participate in the online discussions within the provided time frame during the week.

Group projects: Teams (comprise 2–3 students) will be assigned to prepare presentations that would analyze macroeconomic topics relevant for the course. Each team is expected to produce a PowerPoint presentation (approximate length 10–15 minutes) that will be pre-recorded and presented in the class. I will review and comment on presentations before

their finalization/posting. Final versions of PowerPoint presentations will be posted on the ELMS/Canvas ahead of presentations in the class, so that students have an opportunity to review them in advance and prepare questions and comments for the presenters. I will post further instructions on 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 been submitted after deadlines, except in situations where a student has received a prior approval for an extension from the instructor based on documented valid excused absence (as explained by the University of Maryland policy on excused absence).
- As indicated above, homework and discussion topic assignments are due at noon on Wednesdays, one week after the posting of assignments (with possible exclusions, as discussed above and indicated in Table 2).
- Timelines and assignments for group projects will be determined once teams have been established in the early part of the course. The timelines will be communicated to the teams thereafter.
- If a student needs additional time, contact the instructor in advance of the deadlines and seek approval for any extensions. 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. The material is intended to enhance learning experience and develop capacity to understand and analyze economic issues and policies.

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

<u>Week:</u>	<u>Lecture topic/Assignments:</u>	<u>Notes/Chapters:</u>
Meeting # 1 May 30, 2023	Introduction and preliminaries Discussion Topic # 1 and HW # 1	NGM: Chapters 1 – 3 Pre-lecture notes (PP)
Meeting # 2 June 6, 2023	Economy in the long run Discussion Topic # 2 and HW # 2	NGM: Chapter 8 Pre-lecture notes (PP)
Meeting # 3 June 13, 2023	Economy in the long run (cont.) Discussion Topic # 3; HW # 3	NGM: Chapter 9 and Appendix to Ch. 9 Pre-lecture notes (PP)
Meeting # 4 June 20, 2023	Economic fluctuations in the short run Discussion Topic # 4; HW # 4 (<u>Assignments will be due after midterm</u>)	NGM: Chapters 5, 7, 10, and 14 Pre-lecture notes (PP)

Meeting # 5 June 27, 2023	Midterm exam (held in class, closed books/notes) Exam will cover material for Meetings # 1 – 4 Time of midterm: from 6:45 p.m. to 8:45 p.m. <u>(No new assignments posted this week)</u>	
July 4, 2023	Independence Day – Federal Holiday – No class.	
Meeting # 6 July 11, 2023	Introduction into the Keynesian model Discussion Topic # 5; HW # 5 Group presentation begin today!	NGM: Chapter 11 Pre-lecture notes (PP)
Meeting # 7 July 18, 2023	Fiscal and monetary policies in the Keynesian model Discussion Topic # 6; HW # 6 Group presentations	NGM: Chapter 12 Pre-lecture notes (PP)
Meeting # 8 July 25, 2023	Money, inflation, and financial markets Discussion Topic # 7; HW # 7 Group presentations	NGM: Chapters 4, 15, 16, 18 Pre-lecture notes (PP)
Meeting # 9 July 29, 2023 (Saturday)	Financial markets (cont.) No new assignments posted <u>Time: from 1:00 p.m. – 3:45 p.m.</u> No group presentations	NGM: Chapter 18 Pre-lecture notes (PP)
Meeting # 10 August 1, 2023	Open economy extension of the IS – LM Discussion Topic # 8; HW # 8 Group presentations	NGM: Chapters 6, 13 Pre-lecture notes (PP)
Meeting # 11 August 8, 2023	Open economy extension (continue) Putting it all together/special topics <u>No new assignments this week</u> Possible guest speaker	NGM: Chapters 17 & Appendixes Pre-lecture notes (PP)
Meeting # 12 August 15, 2023	Final Exam Held in class, closed books/notes Exam will cover material for Meetings # 5 – 11 <u>Time of final exam: from 6:45 p.m. to 8:45 p.m.</u>	

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. They will need to use their University of Maryland "directory ID" and password.

Contact Hours: Three credit master's-level courses at the University of Maryland require a minimum amount of contact between instructors and students. Our courses' 12 weekly meetings only satisfy 80% of the university's contact requirement. The other 20% is satisfied by weekly mandatory and graded online contact. In principle, the contact hours requirement could be satisfied by scheduling 3 additional 150-minute meetings per term, or 6 additional 75-minute meetings, or 10 additional 45-minute meetings. But in practice the contact hours requirement is satisfied by the weekly online discussion boards. The weekly online discussions are a more flexible way to ensure that our program's courses in DC provide the same level of student-instructor contact as the traditional 15-week face-to-face version of the same course when it is taught on campus in College Park.

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 policies 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.