

ECON 642:

Topics in Applied Macroeconomics  
Winter 2024/2025

University of Maryland, College Park  
Master of Science Program in Applied Economics  
Washington, DC location: 1400 16th St, NW, Suite 140

Syllabus Version (12/3/2024)

Lecturer: Samuel Rowe

Email: [srowe124@umd.edu](mailto:srowe124@umd.edu)

Course Meeting: Tuesday 6:45pm-9:30pm, 1400 16<sup>th</sup> St, NW, Suite 140

There will be a 15-minute break between 7:45 and 8:30.

Office Hours: Friday 6:00pm -7:00pm by appointment via Zoom or by request appointment

TA: Dereck Yang

TA Office Hours: Sunday 6:00pm -7:00pm by appointment via Zoom

***Please note that the views do not represent the Health Resources and Services Administration or the Department of Health and Human Resources.***

**Course description:** This is the core macroeconomic course in the applied economics M.S. program. This course focuses on understanding of the aggregate economy in the short and long run. The course will study properties of macroeconomic concepts, such as gross domestic product, inflation, and unemployment, along with macroeconomic models, such as models of growth, business cycles, labor markets, and investment. The course will also study the impacts of fiscal and monetary policies on the aggregate economy.

Our program has 7 general learning objectives:

- 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

The learning outcomes that pertain to this course are: 1, 3, 4, and 6

**Course textbooks and learning materials**

The lectures will utilize two textbooks and the chapters are indicated in the course schedule.

Required:

A Course in Modern Macroeconomics, Pablo Kurlat. (2020).

Intermediate Macroeconomics, Version 3.0.1. (GLS), Julio Garin, Robert Lester, and Eric Sims. (2021). Text freely available at [https://juliogarín.com/files/textbook/GLS\\_Intermediate\\_Macro.pdf](https://juliogarín.com/files/textbook/GLS_Intermediate_Macro.pdf)

Supplemental Reading:  
Additional Articles will be available on ELMS for online discussions

### Grading

- Midterm: 30%
- Final: 30%
- Problem Sets: 20%
- Group Article Presentation: 10%
- Online Discussion: 10%
- Final Grade:

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

### Exams:

The midterm will cover material from week 1 through week 5. The final will cover material from week 6 through week 11.

### Problem Sets:

There will be four problem sets throughout the session. You will have one to two weeks to complete the assignment. You can discuss the problem sets with your classmates, but your work must be original and your own. All problem sets will need to be submitted electronically through ELMS. Please include your document file (.docx or .pdf). Answers will be posted on ELMS soon after the assignment is due.

### Group Article Presentation:

Students will work in groups of 2-3 depending upon the size of the class. Students will sign up for a topic related to the course using the Pages section on ELMS. Each member of the group will contribute to produce a PowerPoint presentation about 15 minutes (no more than 10 slides) to be presented in class. The group will send a draft of the slides for me to review and provide feedback the weekend before presenting the slides. The following information should be provided: 1) The research question of interest, 2) theory and literature review, 3) data and methods, and 4) results and policy implications or tradeoffs, and 5) student feedback from material studied in the course.

During Week 1, students will sign up for a section: 1) Economic Growth, 2) Productivity and Economic Growth, 3) Business Cycle and Phillips Curve Topics; or 4) Open Economy and Trade. which I will be on the ELMS for students to sign up. If you would like to present another relevant paper beyond this list, then please let me know after signing up a section.

## **Section 1: Growth Accounting and Economic Growth**

Hall, R.E. (2017). Sources and Mechanisms of Stagnation and Impaired Growth in Advanced Economies. Technical report, ECB Forum on Central Banking, June 2017. URL [https://www.ecb.europa.eu/press/conferences/shared/pdf/20170626\\_ecb\\_forum/Hall\\_Sources\\_and\\_Mechanisms\\_of\\_Stagnation\\_and\\_Impaired\\_Growth\\_in\\_Advanced\\_Economies.pdf](https://www.ecb.europa.eu/press/conferences/shared/pdf/20170626_ecb_forum/Hall_Sources_and_Mechanisms_of_Stagnation_and_Impaired_Growth_in_Advanced_Economies.pdf)

Balboni, C., Bandiera, O., Burgess, R., Ghatak, M., and Heil, A. (2022). Why do people stay poor? Quarterly Journal of Economics, 137(2):785-844. <https://doi.org/10.1093/qje/qjab045>

Hall, R.E., and Kudlyak, M. (2020). Why has the us economy recovered so consistently from every recession in the past 70 years? Working Paper 27234, National Bureau of Economic Research, May 2020. <http://www.nber.org/papers/w27234>

Grossman, G.M., and Oberfield, E. (2021). The elusive explanation for the declining labor share. Working Paper 29165, National Bureau of Economic Research, August 2021. <http://www.nber.org/papers/w29165>

Bhandari, A., Birinci, S., McGrattan, E.R., and See, K. (2020). What do survey data tell us about us businesses? American Economic Review: Insights, 2(4):443–58, December 2020. URL <https://www.aeaweb.org/articles?id=10.1257/aeri.20190304>

Abraham, K, and Kearney, M. (2018). Explaining the decline in the U.S. employment-to-population ratio: A review of the evidence. NBER Working Paper 24333. <https://www.nber.org/papers/w24333>

Acemoglu, D., Johnson, S., and Robinson, J.A. (2009). Reversal of fortune: Geography and Institutions in the Making of the Modern World Income Distribution. The Quarterly Journal of Economics, 117(4). <http://www.jstor.org/stable/4132478>

## **Section 2: Productivity and Economic Growth**

Foster, L., and He, A. (2022). Technology and productivity growth. Business Economics, 57 p. 111-119. <https://link.springer.com/article/10.1057/s11369-022-00262-7>

Basker, E., and Simcoe, T. (2021). Upstream, downstream: diffusion and impacts of the universal product code. Journal of Political Economy, 129(4): 1252-1286. URL <https://www.journals.uchicago.edu/doi/10.1086/712762>

Babina, T., He, A.X., Howell, S.T., Pelman, E.R., and Stadut, J. (2023). Cutting the innovation engine: How federal funding shocks affect university patenting, entrepreneurship, and publications. The Quarterly Journal of Economics, 138(2):895-954. URL <https://doi.org/10.1093/qje/qjac046>

Jones, C. (2017). The Productivity Growth Slowdown in Advanced Economies. Technical report, ECB Forum on Central Banking, June 2017. <https://web.stanford.edu/~chadj/JonesSintra2017.pdf>

### **Section 3: Business Cycle, Inflation, and Phillips Curve Topics**

Blanchard, O. (2018). Should we reject the natural rate hypothesis? *Journal of Economic Perspectives*, 32(1):97–120, February 2018.

<https://www.aeaweb.org/articles?id=10.1257/jep.32.1.97>

Forbes, K. (2019). Inflation Dynamics: Dead, Dormant, or Determined Abroad? NBER Working Papers 26496, National Bureau of Economic Research, Inc, November 2019.

<https://ideas.repec.org/p/nbr/nberwo/26496.html>

Forbes, K., Gagnon, J., and Collins, C.G. (2021). Low inflation bends the phillips curve around the world. Working Paper 29323, National Bureau of Economic Research, October 2021. URL

<http://www.nber.org/papers/w29323>

### **Section 4: Open Economy and Trade**

Schularick, M., and Solomou, S. (2021). Tariffs and economic growth in the first era of globalization. *Journal of Economic Growth*, 16:33-70.

<https://link.springer.com/article/10.1007/s10887-011-9061-6>

Benguria, F., and Taylor, A.M. (2019). After the panic: Are financial crises demand or supply shocks? Evidence from international trade. NBER Working Paper 25790.

<http://www.nber.org/papers/w25790>

Giovanni, J., Kalemli-Ozcan, S., Silva, A., and Yildirim, M.A. (2022). Global supply chain pressures, international trade, and inflation. NBER Working Paper 30240.

<https://www.nber.org/papers/w30240>

### **Online Discussion:**

I will post a question or series of questions relevant to the course material every Tuesday morning. The discussion might cover an academic article, a newspaper article covering academic articles, or a published evaluation. The discussion will be open for you to comment/respond until Monday at midnight. I will check in to participate/respond/redirect. To fulfill this requirement, you may either create your own post in response to my original post, or write a substantive response to another student's post that contributes to the discussion. Each discussion session will be graded out of 10 points, with the following benchmarks:

Participated in and furthered the discussion (10)

Participated in a meaningful way (8)

Participated but did not in a meaningful way (4)

Late or unsubmitted (0)

## Course Schedule

Week	Date	Topics	Assignments
Week 1*	11/26/2024	Gross Domestic Product Kurlat Chp 1-2	
Week 2	12/3/2024	Economic Growth Part 1 Economic Growth, Kurlat Chp 3 Solow Growth Model Kurlat Chp 4	
Week 3	12/10/2024	Economic Growth Part 2 Kurlat Chp 5 Garen et al, Chp 7	Group Presentation: Economic Growth
Week 4	12/17/2024	Microeconomic Foundations Part 1 Consumption Kurlat Chp 6 Labor and Leisure Kurlat Chp 7	PS 1 Due  Macroeconomic Guest Presentation with Q&A: Boragan Aruoba (6:45 to 7:30)
Winter Break			
Week 5	1/7/2025	Microeconomic Foundations Part 2 Investment Kurlat Chp 8 General Equilibrium Chp 9	PS 2 Due
Week 6	1/14/2025	Midterm	
Week 7**	1/17/2025	Neoclassical Model Kurlat Chp 13 Shocks GSL Chp 18-19	Presentations: Productivity and Economic Growth
Week 8	1/21/2025	Monetary topics Kurlat Chp 11-12 Business Cycles Kurlat Chp 12	PS 3 Due
Week 9	1/28/2025	New Keynesian Model Kurlat 14 Garin et al, Chp 24-25	Presentations: Business Cycle, Inflation, and Phillips Curve Topics
Week 10	2/4/2025	Dynamics and the Phillips Curve Kurlat 15 Garin et al, Chp 27-28	PS 4 Due
Week 11	2/11/2025	The Open Economy Garin et al, Chp 29-30	Presentations: Open Economy and Trade
Week 12	2/18/2025	Final Exam	

\*We will be meeting in person on Tuesday, November 26, but we will provide a live stream of the class via Zoom for students who are on holiday travel. A recording of the session will be provided afterwards. The Zoom link will be provided in an announcement on ELMS.

\*\*Please note that we will meet on Friday, January 17 at 6:45pm to make up for the Winter Break.

**Academic Integrity:**

The University of Maryland has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. The Code sets standards applicable to both undergraduate and graduate students, and you are responsible for upholding these standards as you complete your assignments and examinations in the course. You should inform yourself about the UMD policies related to academic misconduct: <https://studentconduct.umd.edu/you/students>.

**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.

**UMD Grad School and Program-level policies**

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 to 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 of the classroom, and the instructor will use it to inform students 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. Students are responsible for reading their @umd.edu email, including ELMS/Canvas Announcements that are sent to the class. Students should make sure that ELMS/Canvas Announcements and messages are forwarded to an email address that they 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. The instructor will do their best to respond to email within 36 hours.

**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.

**Workload:** 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.

In a regular 15-week semester (as in the College Park version of our program): Taking 3 master's-level courses is supposed to approach the time commitment of a full-time job (~36-39 hours per week, so 12-13 hours per week per course). Taking 3 master's-level courses while simultaneously working at a demanding full-time job during the day is not advisable. Students with questions about the workload in this program should speak with one of the program directors.

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 weekly workload when taking 2 of our DC courses per term is equivalent to the weekly load from 2.5 "normal" 15-week courses - so  $2.5/3.0=83\%$  of a full-time load. Students who take 2 courses per quarter in our DC 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 full-time load ( $8/6 = 1.33$ ).

**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 who fail to bring their GPA up to at least 3.0 after a semester 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, you are still responsible for all material covered during the meeting you missed. It is your responsibility to work with study partners, the teaching assistant, and 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've been 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 comprehensive and confidential support services that promote personal, social, and academic success. The cost of these services is covered by the fees you already paid when you registered for classes, and there is no additional charge if you use the services. Proactively explore the range of services available at <http://www.counseling.umd.edu/>

**UMD Accessibility & Disability Service:** The University of Maryland is committed to creating and maintaining a welcoming and inclusive educational, working, and living environment for people of all abilities. The University of Maryland is also committed to the principle that no qualified individual with a disability shall, on the basis of disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of the University, or be subjected to discrimination. The Accessibility & Disability Service (ADS) provides reasonable accommodations to qualified individuals to provide equal access to services, programs and activities. ADS cannot assist retroactively, so it is generally best to request accommodations several weeks before the semester begins or as soon as a disability becomes known. Any student who needs accommodations should contact ADS as soon as possible so that they have sufficient time to make arrangements. For assistance in obtaining an accommodation, contact Accessibility and Disability Service at 301-314-7682, or email them at [adsfrontdesk@umd.edu](mailto:adsfrontdesk@umd.edu). Information about sharing your accommodation letter, discussing accommodation logistics and getting assistance from ADS staff and more can be found on the ADS website.

**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.