Economics 3105: Fall 2013

Dr. Jonathan E. Leightner

Office: Allgood Hall # E-139

Office Hours: Tuesday and Thursdays 8:30am – 10am and 8:15pm – 10:15pm

Wednesdays 8:30am – 11:30am. Appointments at other times are also possible.

Drop-ins are welcome; however, students with appointments have priority.

Goals:

1. Students should be able to compare and contrast the basic, current, western macroeconomic models, including open economy, small country, macroeconomic theory. They also should be able to explain how different models affect policy prescriptions.

2. Students should understand that these economic models are tools with uses and limitations. Furthermore, they should be able to evaluate the usefulness of these tools for analyzing different "real world" situations and be able to apply the models when appropriate.

3. Students should have a macroeconomic understanding of current events.

Grades:

To earn a “C”, “B”, or “A,” the student must earn at least a 70, 80, or 90 average, respectively.

Test 1 and 2 @ 33.3% each = 66.6 %

Research Paper 33.3 %

Research Paper:

Each student must write a research paper. One option for this paper is to write an economics paper that is similar to what is published in academic journals. Another option is for the student to pick a country (each student must analyze a different country) for which they present (1) the current situation and current government policies for that country, (2) what each of the models studied in this class would say are the causes of that country’s problems and the appropriate remedies, and (3) what the student would do (and why) if he were the leader of that country. Papers are due on December 3rd at the beginning of class. Papers will be penalized 10 points for every day (or part of a day) that they are late (Saturday and Sunday count as one day).

Recording Lectures:

Some students benefit from tape recording my lectures. By tape recording the lectures, these students can concentrate more on understanding what I am saying and on copying graphs correctly. However, students also learn by writing out the notes. Therefore, I encourage the recording of my lectures under the one condition that students keep the recordings a maximum of one week. Thus, a student could record both Tuesday’s and Thursday’s lectures and then transcribe the notes over the weekend.

Text:

Froyen, Richard T., *Macroeconomic Theories and Policies*, 10th ed. (Upper Saddle River, New Jersey: Pearson/Prentice Hall, 2009).

In addition to the text book, I encourage each student to have a subscription to the Wall Street Journal. If you sign up for the Wall Street Journal at <http://www.wsj.com/studentoffer> then you will get a discount of more than 80% off of the newsstand price. Specifically you can order 15 weeks of the Journal for $ 15. Please be sure to put my name as the referring professor (Jonathan Leightner).

Tentative Schedule

Subject Pre‑class Readings Date

I. Introduction ………………………………………………… Ch. 1…….....…..... 8/20

II. Basic Macro accounting identities and their implications …..Ch 2 ……………. 8/22

III. Classical Macroeconomics ………………………………... Ch 3 & 4 ……….. 8/27-8/29

IV. Keynesian Macroeconomics ………………………………. Ch 5 - 8 ……… 9/3-9/10

Regression analysis, BD-RTPLS, and Multiplier estimates ……………… 9/12

V. Monetarism …………………………………………………. Ch 9 …………… 9/17

VI. Natural Rate of Unemployment and the Phillips Curve …… Ch 10 …………. 9/19

VII. New Classical Economics ………………………………… Ch 11 …………. 9/24

VIII. Real Business Cycle Models and New Keynesianism ….. Ch 12 ………….. 9/26

Discussion …………………………..……………………………………………… 10/1

Sherron Watkins Lecture …………………………………………………………… 10/3

Test 1 ………………………………………………………………………………. 10/8

IX. Exchange Rates ……………………………………………..Ch 14………..… 10/10-10/15

X. Monetary and Fiscal Policy in a Small, Open Economy …….. Ch 15 ………… 10/17-10/22

XI. Money, Banking, and Interest Rates ………………………… Ch 16 ……….. 10/24

XII. Optimal Monetary Policy …………………………………… Ch 17 ……….. 10/29

XIII. Current Issues Dealing with Banks ….………………Handouts …………… 10/31

XIV. Fiscal Policy ……………………………………………….. Ch 18 ………… 11/5

XV. Policies for Intermediate-Run Growth………………………. Ch 19 ………… 11/7

XVI. Polices for Long-Run Growth ……………………………… Ch 20 ………… 11/12

XVII. Crises ……………………………………………………………………….... 11/14-11/19

XVIII. China ……………………………………………………………………….. 11/21-12/3

No classes ………………………………………………………………….. 11/28

Papers Due at the beginning of class …………………………………………….… 12/3

Final Comments ……………………………………………………………………. 12/5

Final Exam ………………………………………………………(6pm – 8pm) ….. 12/11

Scheduled\* Office Hours: Fall 2013

Tuesdays and Thursdays 8:30am – 10am and 8:15pm – 10:15pm

Wednesdays 8:30am – 11:30am

\*Occasionally I will have to miss some of these office hours due to committee

meetings and other obligations. If possible, it is best to make an appointment.