

**EC 1210-S01 Intermediate Macroeconomics**

**Course Syllabus**

**Brown University, Department of Economics**

**Spring 2020**

**Instructor: Manuel Lancastre**

**Course Logistics:**

Lecture Times: Mondays, Wednesdays and Fridays 10:00am – 10:50am

Lecture location: Zoom: <https://brown.zoom.us/j/858289349>

Section times and locations: see below.

**i) Course Instructor: Manuel Lancastre**

Office hours: Mondays & Wednesdays 2-3pm

Office location: ZOOM: <https://brown.zoom.us/j/857546030>

Email: [manuel\\_lancastre@brown.edu](mailto:manuel_lancastre@brown.edu)

Linkedin: <https://www.linkedin.com/in/manuel-lancastre-88987919/>

Website: <https://sites.google.com/view/manuellancastre>

**ii) Teaching Assistants:**

- **Aditi Singh ([aditi\\_singh@brown.edu](mailto:aditi_singh@brown.edu)):**

Sections time and location: Tuesdays 2pm at <https://brown.zoom.us/j/375229586>

Office hours and location: Wednesdays 1pm-2pm at <https://brown.zoom.us/j/433696295>

- **Georgios Angelis ([georgios\\_angelis@brown.edu](mailto:georgios_angelis@brown.edu)):**

Sections time and location: Tuesdays 9am at: <https://brown.zoom.us/j/446635900>

Office hours and location: Fridays 12-1pm at: <https://brown.zoom.us/j/800566145>

- **Cosimo Petracchi ([cosimo\\_petracchi@brown.edu](mailto:cosimo_petracchi@brown.edu)):**

Sections time and location: Tuesdays 1pm, at <https://brown.zoom.us/j/958694699>

Office hours and location: Thursdays 12pm-1pm, at <https://brown.zoom.us/j/285732849>

- **Matteo Iudice** ([matteo\\_iudice@brown.edu](mailto:matteo_iudice@brown.edu)):

Sections time and location: Tuesdays 1pm at <https://brown.zoom.us/j/846955283>

Office hours and location: Mondays 4:30-5:30pm at <https://brown.zoom.us/j/932751331>

- **Marcel Peruffo** ([marcel\\_peruffo@brown.edu](mailto:marcel_peruffo@brown.edu)):

Sections time and location: Tuesdays 10am at <https://brown.zoom.us/j/590013213>

Office hours and location: Tuesdays 1-2pm at <https://brown.zoom.us/j/909373982>

Extra Office hours to be held at at <https://brown.zoom.us/j/909373982>

- **Sarah Conlisk** ([sarah\\_conlisk@brown.edu](mailto:sarah_conlisk@brown.edu)):

Sections time and location: Tuesdays 1:30pm  
at <https://zoom.us/j/240513064?pwd=YmNwV0lYSVBTZlMvWjdQMjllOFRZz09>

Office hours and location: Thursdays 4:00pm at  
<https://zoom.us/j/863473321?pwd=WwNjSGNcY0N2TEROWGFRU0JlL0dHUT09>

- **Jack Patterson** ([jack\\_patterson@brown.edu](mailto:jack_patterson@brown.edu)):

Sections time and location: Tuesdays 11:00am at <https://brown.zoom.us/j/635732874>

Office hours and location: Tuesdays 12-1pm at <https://brown.zoom.us/j/459470937>

- **Michael O'Connell** ([michael\\_oconnell@brown.edu](mailto:michael_oconnell@brown.edu))

Sections time and location: Tuesdays 3pm at <https://brown.zoom.us/j/611219726>

Office hours and location: Mondays 3-4pm at <https://brown.zoom.us/j/992112349>

- **Mary Stack** ([mary\\_stack@brown.edu](mailto:mary_stack@brown.edu))

Sections time and location: Tuesdays 4 pm EDT at: <https://brown.zoom.us/my/marystack>

Office hours and location: Mondays 1-2pm EDT at: <https://brown.zoom.us/my/marystack>

- **Kushagra Agarwal** ([kushagra\\_agarwal@brown.edu](mailto:kushagra_agarwal@brown.edu))

EXTRA LECTURE SECTIONS time and location: Monday, Wednesday, Friday 2:30am EDT  
at <https://brown.zoom.us/j/658674238>

Normal sections time and location: Tuesdays 3:30am EDT at <https://brown.zoom.us/j/330119523>

Office hours and location: Mondays 3:30-4:30am EDT at <https://brown.zoom.us/j/340426646>

- **Sidi Wen** ([sidi\\_wen@brown.edu](mailto:sidi_wen@brown.edu))

Sections time and location: Tuesdays 11am EST at <https://brown.zoom.us/j/715084082>

Office hours and location: Wednesdays 2-3pm EDT at <https://brown.zoom.us/j/832984242>

- **Sections** will meet a total of 10 times on Tuesdays. Namely, the 8 Tuesdays when the problem sets are due, and the 2 Tuesdays **before** the midterms to go over past ones (March 3<sup>rd</sup>, and April 14<sup>th</sup>).

### iii) Course Description and Objectives:

This course is designed to introduce students to classic macroeconomic issues such as inflation, unemployment, interest rates, growth and technological progress, and relate all this to the real world. The course will provide a framework to address these issues and study the impact of different policies, such as monetary and fiscal policies, on aggregate economic outcomes bringing in examples from the real economy. The material focuses on both long run and contemporary higher frequency economic fluctuations providing a unified framework for understanding macroeconomic performance over time. The course will be a balance between theoretical tools and empirical evidence using real world examples to draw the relevant links between theory and applications.

### iv) Course Organization and Time allocation

Over 14 weeks, students will spend 3 hours per week in class (42 hours), and 1 hour per week in discussion section (10 hours). Homework and weekly reading for midterms will take approximately 8 hours per week (112 hours in total). In addition, there will be a 2-hour final exam for which approximately 16 hours of review is assumed. Total hours: 184.

### v) Course Materials

- **Textbooks:** The primary text for this course is *Macroeconomics, 7th Edition by Olivier Blanchard*. Another optional textbook that may be useful in the last third of the course is *Economic Growth by David Weil, Addison-Wesley Publishers, 3<sup>rd</sup> edition*. 3 copies of David Weil's book are available at the Rock as book reserves.
- **Power point slides** used in the lecture, additional readings and problem sets will be available through Canvas: <https://canvas.brown.edu/> ahead of each class.
- **Class seminars:** Participation is of high importance since Macroeconomics class is very much linked to real economy and to prove that, two class seminars will be organized that will draw links between the taught material and real life paradigms.

## vi) Class exams, Assessment, and Grading

Assessment is based on class participation, 8 problem sets, 2 midterm exams, and one final exam.

- **Problem Sets (20%):** Problem Sets must be legible, stapled, and turned in on time. Late problem sets will receive no credit unless a previously arranged extension is granted.
- **Exams (70%):** Two in-class midterm exams (**Midterm I: 20%**, **Midterm II: 20%**) and a **final (30%)** will be held. Midterms are in class and last 50 minutes. If you are excused from taking either midterm, the percentage value of each exam will be carried over to the final exam. Absences from the final exam will be granted for family and medical emergencies, *if and only* if the request is accompanied by a letter from the Dean. No alternate arrangements will be made.
- **Class participation (10%):** Class participation is highly recommended and will benefit significantly the entire class.

## vii) Rules, advice, and class etiquette

1. Lecture attendance is not compulsory. That said, do not interrupt class by leaving unless it is an emergency. And please silence cell phones during lecture time.
2. Although lecture attendance is not compulsory, slides are not a substitute for attendance, and you are responsible for all the material covered in lectures, whether it is on the slides or not.
3. If you disagree with the grading of an assignment/exam, you may request a review within 7 days after the exam. The request for re-grade **MUST** be done in writing, and must include a description of what the problem is and why you think the exam should be graded differently. In such cases, the whole exam may be re-graded – not just the question you identified.
4. **ALL EXAMS ARE CLOSED NOTES, CLOSED BOOKS.** Simple calculators are allowed.
5. By taking this course, you explicitly pledge that you will not cheat (or help others to cheat) in any way on the exams. Any violations will result in an NC, and a report will be sent to the Dean.

## viii) Disabilities or other condition that might require accommodations to any of these course procedures

- Brown University is committed to full inclusion of all students. Please inform me if you have a disability or other condition that might require accommodations or modification of any of these course procedures. You may speak with me after class or during office hours.
- For more information contact Student and Employee Accessibility Services at 401-863-9588 or [SEAS@brown.edu](mailto:SEAS@brown.edu), where you should register at the beginning of the semester if you need an accommodation, as a result of a documented disability.

## ix) Key Dates:

- Problem Sets due on: 2/04(PS 1), 2/11(PS 2), 2/19(PS 3), 2/25(PS 4), 3/31(PS 5), 3/7(PS 6), 4/21(PS 7), 4/28(PS 8)

Problem Sets are due during **section** handed to the **teaching assistant, OR** in the **course-section bin (the one with a code lock)** at **Robinson hall basement** until **5:00pm** of the due date (Robinson Hall is locked from facilities management after this time).

**In addition, a PDF copy of each problem set must be uploaded on CANVAS in its respective assignment folder until 5:00pm of the due date.**

After the deadline the solutions are posted online.

- Preparation for midterms during sections: 03/03 (Midterm I), 04/014 (Midterm II)
- Midterm I: Wednesday, March 4<sup>th</sup> 2020, during class time
- Midterm II: Wednesday, April 15<sup>th</sup> 2020, during class time (and at 10pm EDT - need pre-registration)
- Final exam: Saturday, May 9<sup>th</sup> 2020 at 2:00PM (and at 10pm EDT - need pre-registration)

## **Tentative Course Outline**

### **I) Introduction** (classes 1-3):

|               |  |      |
|---------------|--|------|
| Week 1-01/22: | Course Logistics & Syllabus exposition | Ch 1 |
| Week 1-01/24: | Math review & A Tour of the World      | Ch 1 |
| Week 2-01/27: | Aggregate Output                       | Ch 2 |

### **II) The Short-Run** (classes 4-10):

|                 |  |        |
|-----------------|--|--------|
| Week 2 - 01/29: | The Goods Market                             | Ch 3   |
| Week 2 - 01/31: | The Goods Market / Financial Markets         | Ch 3-4 |
| Week 3 - 02/03: | Financial Markets                            | Ch 4   |
| Week 3 - 02/05: | The IS-LM model - Introduction               | Ch 5   |
| Week 3 - 02/07: | The IS-LM model - Fiscal and Monetary Policy | Ch 5   |
| Week 4 - 02/10: | The extended IS-LM model                     | Ch 6   |
| Week 4 - 02/12: | The extended IS-LM model (continued)         | Ch 6   |

### **III) The Medium-Run** (classes 11-17):

|                        |   |      |
|------------------------|---|------|
| Week 4 - 02/14:        | The Labor Market  | Ch 7 |
| <b>Week 5 - 02/17:</b> | <b>No class</b>   |      |
| Week 5 - 02/19:        | The Philipps Curve, the Natural Rate of Unemployment, and Inflation | Ch 8 |

|                        |  |                        |
|------------------------|--|------------------------|
| Week 5 - 02/21:        | From the Short to the Medium Run: The IS-LM PC Model             | Ch 9                   |
| Week 6 - 02/24:        | From the Short to the Medium Run: The IS-LM PC Model (continued) | Ch 9                   |
| Week 6 - 02/26:        | <b>Class Seminar (Reading a FED Statement)</b>                   |                        |
| Week 6 - 02/28:<br>14  | Financial Markets and Expectations                               | Ch                     |
| Week 7 - 03/02:        | <b>Revision for Midterm I</b>                                    |                        |
| <b>Week 7 - 03/04:</b> | <b>Midterm I (during class time)</b>                             | <b>(Chapters 1- 9)</b> |

**IV) Expectations and the Economy** (classes 18-22):

|                 |  |       |
|-----------------|--|-------|
| Week 7 - 03/06: | Financial Markets and Expectations (continued) | Ch 14 |
| Week 8 - 03/09: | Expectations, Consumption and Investment       | Ch 15 |
| Week 8 - 03/11: | Expectations, Output and Policy                | Ch 16 |
| Week 8 - 03/13: | Expectations, Output and Policy (continued)    | Ch 16 |

**Spring recess. No classes from March 21 - 29**

**V) Open Economy** (classes 23-28):

|                                |   |       |
|--------------------------------|---|-------|
| Week 9 - 03/30:                | Openness in Goods and Financial Markets   | Ch 17 |
| Week 9 - 04/01:                | The Goods Market in an Open Economy   | Ch 18 |
| Week 9 - 04/03:                | The Goods Market in an Open Economy (continued)   | Ch 18 |
| Week 10 - 04/06:               | Output, the Interest Rate, and the Exchange Rate  | Ch 19 |
| Week 10 - 04/08:               | Exchange Rate Regimes   | Ch 20 |
| Week 10 - 04/10:<br>10&11(DW3) | The Facts of Growth and the Solow Model   | Ch    |
| Week 11 - 04/13:               | <b>Wrap-up <i>the Open Economy</i>, and revision for Midterm II</b>                                       |       |
| <b>Week 11 - 04/15:</b>        | <b>Midterm II - during class time</b> (and at 10pm EDT - need pre-registration) ( <b>Chapters 14-18</b> ) |       |

**VI) Economic Growth** (classes 29-35)

|                          |  |                |
|--------------------------|--|----------------|
| Week 11 - 04/17:         | The Solow Model: Saving, Capital Accumulation, and Output          | Ch 11 (DW 3)   |
| Week 12 - 04/20:<br>4&6) | Population, Human Capital, and Economic Growth                     | Ch 12 (DW      |
| Week 12 - 04/22:<br>7&8) | The role of technological progress in growth                       | Ch 12 (DW      |
| Week 12 - 04/24:         | Innovation, technological progress, and output growth              | Ch 12 (DW 7&8) |
| Week 13 - 04/27:         | Consumption and the Savings rate: The Golden Rule level of capital | Ch 11          |
| Week 13 - 04/29:         | Demography, Inequality and Economic Growth; <b>Course wrap-up</b>  | Ch 13          |
| <b>Week 13 - 05/01:</b>  | <b>Revision for the Final Exam</b>                                 |                |

05/02 to 05/05: Reading Period

**05/09:** **Final Exam @ 2:00pm (2h30m)** (and at 10pm EDT - need pre-registration) (**Class material + Blanchard Ch10-13 +Ch19-20**)