

**University of Maryland
Department of Economics**

**Econ 325 Fall 2021
Intermediate Macroeconomic Analysis
Professor Luminita Stevens
stevens7@umd.edu**

Class Meetings : Tue and Thu 3:30 – 4:45 pm EST
Symons Hall (SYM 0200)

Office Hours (on zoom): Tue, 2–3 pm EST
Please email me in advance to schedule the call.

Teaching Assistants:	Haoran Wang hw2688@umd.edu	Robert Benjamin Rodriguez rbenrod@umd.edu
Office Hours (on zoom):	Wed 10-11 am EST	Thu 2-3 pm EST

Sections: 101: Fri 10–10:50 am EST
102: Fri 11–11:50 am EST
Susquehanna Hall (SQH 1117)

Textbook (suggested): *Macroeconomics* by Stephen Williamson (5th or 6th eds.)
Course webpage: <http://www.elms.umd.edu>

DESCRIPTION:

Macroeconomics is the study of the aggregate actions of a large collection of decision-makers, as opposed to Microeconomics, which analyzes individual decision-makers in isolation. This course focuses on how individual decisions aggregate to shape economy-wide outcomes, and discusses long-run growth and short-run fluctuations of the economy, and the effects of government policies.

PREREQUISITES: Minimum grade of C- in ECON200, ECON201, and MATH141. Must be in Economics Bachelor of Science program. Credit only granted for ECON305 or ECON325.

GRADING:

40% = Eight assignments (5% each)

20% = Exam I, closed book

20% = Exam II, closed book

20% = Final Exam, closed book

COURSE OUTLINE (SUBJECT TO CHANGE):

1. One-Period Model (Chapter 4)
 - Consumer Optimization
 - The Elasticity of Labor Supply
 - Firm Optimization
2. Trends in the U.S. labor market
 - Do wages equal marginal product? Do wages adjust to clear the labor market?
 - Participation, unemployment, and wages: education, gender, and race
3. Equilibrium in the One-Period Model (Chapter 5)
 - Equilibrium in the labor market, goods market, and money market
 - General Equilibrium and Efficiency
 - The Two Welfare Theorems of Economics and Market Failures

MIDTERM EXAM I: Topics 1,2,3.

4. Two-Period Model
 - Consumer Optimization (Chapter 9)
 - Government Borrowing and Ricardian Equivalence (Chapter 9)
 - Firm Investment (Chapter 11)
5. Equilibrium in the Two-Period Model (Chapter 11)
 - Equilibrium in the labor market, goods market, and credit market
 - Fiscal Multipliers and Government Spending in Practice
6. Brief History of Macro Thought
 - Birth and Evolution of Economics
 - Evolution of Macroeconomics

MIDTERM EXAM II: Topics 4,5,6.

7. Long Run Growth (Chapters 7, 8)
 - The Solow Model and the Golden Rule of Capital Accumulation
 - Evidence of Relative and Absolute Convergence Across Countries
 - Trends in Inequality and Economic Mobility Within Countries
8. Business Cycles (Chapters 12, 14)
 - Money in the Two-Period Model
 - Long Run Money Neutrality
 - A Simple Sticky Price Model and Short Run Money Non-Neutrality
9. A Brief Account of Modern U.S. Business Cycles: Causes and Policy Responses

FINAL EXAM: Topics 7,8,9.

POLICIES AND IMPORTANT NOTES:

Masks are required in class. President Pines provided clear expectations to the University about the wearing of masks. Face coverings over the nose and mouth are required while you are indoors at all times. There are no exceptions. Students not wearing a mask will be given a warning and asked to wear one, or will be asked to leave the classroom immediately. Students who have additional issues with the mask expectation after a first warning will be referred to the Office of Student Conduct for failure to comply with a directive of University officials.

Course materials will be posted weekly on ELMS under “Files/Lecture Notes” and “Files/Section Notes”.

Sections are an integral part of the course and cover material for which you are responsible in assignments and on exams. Review the handouts posted on ELMS and attend each week’s section meeting.

Assignments will be posted on ELMS on Tuesdays, and will be due the following Tuesdays (see due dates on ELMS). Each assignment will have either 1 problem or 1 short-answer question. The frequent assignments are designed to help you stay on track and to prevent the buildup of large gaps in understanding.

Please upload each assignment to ELMS as a single PDF file. You can use a variety of apps, including *Adobe Scan* or *Dropbox*, to take pictures of your handwritten work, convert them to pdf, and merge them into a single document. Please do not upload photos directly and do not upload more than one file per assignment.

You are responsible for double-checking that you have uploaded the correct file each time. Late assignments will not be accepted, unless accompanied by an explanation that complies with University policy (see below). Consider submitting your assignment well ahead of the deadline, to insure against potential disruptions (tech or otherwise).

Exams will consist of 2 problems and 1 short-answer question.

All work must be your own, on both assignments and exams. If you observe any conduct or remarks that go against the University’s [Code of Academic Integrity](#) or [Non-Discrimination Policy](#), please bring this behavior to our attention.

Solutions to assignments and exams will be posted on ELMS under “Files/Solutions”.

We will use email and ELMS messages and announcements to communicate outside of class. Students are responsible for information contained in messages or announcements sent via ELMS and are expected to check ELMS regularly. Since this is a large class, please email all your questions to one of the TAs first, except sensitive or confidential issues, which you should send to me directly.

Neither the TAs nor I will discuss problem sets or exams in any way until *after* the solutions have been posted on ELMS.

Re-grading: All questions about your grades and all re-grade requests must be emailed to both TAs and me within two weeks of the day on which the grade is posted. Your request must give a substantive explanation for your concern. The entire exam/assignment will be re-graded, and your final grade may be higher/lower/unchanged.

Make-up Policy for Major Scheduled Grading Events: Make-up exams are granted based on compliance with University policy:

Illness (of the student or a dependent), religious observance (where the nature of the observance prevents the student from being present during the class period), participation in university activities at the request of university authorities, or compelling circumstances beyond the student's control. Students claiming excused absence must apply in writing and furnish documentary support for their assertion that absence resulted from one of these causes.

Please refer to <http://www.ugst.umd.edu/courserelatedpolicies.html> for additional policies. Topics include academic integrity, acceptable use of technology, student privacy and conduct, sexual misconduct, non-discrimination, safety, civility, and respect, accessibility, student rights regarding undergraduate courses, grades, course evaluations, and campus resources for students' academic success, mental health, physical wellbeing, finances and basic needs.

It is your responsibility to understand your rights and responsibilities as expressed in these policies.

KEY DATES

See ELMS.