

INTERMEDIATE MACROECONOMICS

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ECON 311-101, 102 (3 credits)

Fall 2020

Half in-person, half asynchronous
Nguyen Engineering Building 1107

COURSE OBJECTIVES & LEARNING OUTCOMES

This course explores the big questions of macroeconomics. The first is Adam Smith's seminal question: Why are some nations rich and other nations poor? Other crucial macroeconomic questions include: Why are there recessions and depressions? What causes unemployment? How does the monetary system work?

We will follow the development of macroeconomic thought and focus on how each school of thought responded to those that came before it. The aim of the course is to familiarize students with the history of macroeconomic thought and the technical elements of macroeconomic theories. Upon successfully completing this course, you will learn (1) the data and analytical framework that macroeconomists use to study the production and allocation of output in both open and closed economies; (2) the role that the monetary system plays in the economy; (3) how to use the aggregate demand and supply model to analyze how the economy adjusts in the short and long-run under alternative theories of the business cycle; (4) government deficits and debt that emerge from these different theories; (5) the factors underlying economic growth.

Macroeconomic theories focus on studying two phenomena at the heart of economic performance—long-run economic growth and short-run economic fluctuations, also known as business cycles. During the first half of this course, our primary task will be to master the basic concepts and tools that macroeconomists use to analyze the operation of the economy. We will then walk through growth theory, which is crucial to discovering how poor nations become rich. In the second half of the course, we will explore different theories of business cycles, including the orthodox Keynesian school, the Monetarist school, Real Business Cycle theory, the New Keynesian school, Austrian Business Cycle theory. We will end with a discussion of macroeconomic policy.

Upon completion of the course, you will be able to analyze and understand the various causes of long-run growth and of business cycles.

COURSE STRUCTURE & INFORMATION

Section 101, GROUP A: Tuesdays, 12-1:15, Nguyen Engineering Building 1107

Section 102, GROUP B: Thursdays, 12-1:15, Nguyen Engineering Building 1107

ONLINE COMPONENT FOR BOTH SECTIONS: asynchronous. I will post recordings of the delivered in-class lectures as the asynchronous requirement of the class.

As each section only meets 50% of the required time for this class, I will be posting all in-class lectures on Blackboard. So, on Tuesdays, when GROUP A (Section 101) meets, I will post the delivered in-class lecture to Blackboard for GROUP B to watch. This is required, as it covers content that will not be lectured in-person to GROUP B. Similarly, on Thursdays, when GROUP B (Section 102) meets, I will

post the delivered in-class lecture to Blackboard for GROUP A to watch. This is required, as it covers content that will not be lectured in-person to GROUP A.

If we move online only for the semester, our class will be entirely asynchronous. I will post lecture content at the beginning of each week and you will have the whole week, Monday through Sunday, to work through content and submit the weekly quiz. Due dates for course work and exams will remain the same, but all exams will be taken electronically via Respondus Lockdown.

Office hours: **Mondays and Wednesdays, 11:00 am - 1:00 pm**, on Zoom or by appointment. I am flexible and happy to work with you and around your schedule. Due to COVID-19, office hours and any other meetings will be online only. Here is the Zoom link, which is good for the whole semester: <https://gmu.zoom.us/j/92982209622?pwd=bUFNdUJyTXVNQmMxeS9sVk03aGFDdz09>

ALL students should complete ALL course assignments, readings, and lectures, even if it is assigned on a day your section does not meet.

REQUIRED MATERIALS

Students will need to buy, rent, or borrow the following book:

- Mankiw, N. G. (2019). *Macroeconomics* (10th edition). New York: Worth Publishers.

Please find the 10th edition for class. I will be teaching from the 10th edition and assigning homework problems from this edition, so having a different edition will cause you issues. Additionally, short readings and videos will be assigned during the semester as supplements to the main textbook and are accessible online and on our Blackboard page.

GRADING AND ASSIGNMENTS

Grades will be based on the following items:

- Weekly Quizzes (you MUST come to class to receive the quiz!) (15% of total grade)
- Problem Sets (15% of total grade)
- Research Project (15% of total grade; 5% is for presentation, 10% is for paper)
- Midterm Exam (25% of total grade)
- Final Exam (30% of total grade)
 - For 5 points of extra credit on the final, send me a cute picture of a dog before the final exam

Weekly Quizzes: There will be weekly quizzes every time you come to class, starting in Week 2. Come to class prepared to take a quiz both on the current week's readings and on the previous week's lectures. No late quizzes will be administered, so if you are late to class, you will not receive the quiz.

***If we move online for the semester, there will be weekly quizzes on Blackboard for you to take. You must take them by Sunday at 11:59pm at the end of each week, or you will receive a 0% on that quiz.

Problem Sets: There will be 3 problem sets throughout the semester. Please see the schedule for assigned dates and due dates for each assignment. These are necessary for your understanding of the material and consequent success on the midterm and final exam.

Research Project: Each individual is responsible for writing a written report (5 pages max, double-spaced, size 12 font) and a 5-10 minute presentation on one theory of the business cycle we have learned in class, and should then apply it to a historical episode of a business cycle.

Successful papers and presentations should first explain in-depth the business cycle they chose to study. They should then explain in-depth the historical event and downturn, especially focusing economic details and concepts we studied in class (i.e. inflation, unemployment, investment, consumption, etc.). Then, the paper and presentation should explain why their chosen business cycle best explains the historical episode.

Since we will be online-only at this point, your presentations will be posted online for others to review for the exam. You must email me your paper and presentation on the day it is due for your group. You can record with video or audio on PowerPoint, Zoom, etc. Voice-overs on PowerPoints are acceptable if you are uncomfortable being video recorded.

The semester project is due on **Tuesday, December 1 for GROUP A, and Thursday, December 3, for GROUP B.**

Midterm Exam: The exam will be multiple choice, true/false, and short answer. The topics covered on the test will be based on the readings and class lectures. Make-up midterm exams will only be given to students who contact me about an emergency *before the exam.*

The midterm will be given on **Tuesday, October 6 for GROUP A and Thursday, October 8 for GROUP B.** These will be held during normal class times, 12-1:15pm.

***If we have moved online for the semester by this point, you will be required to take the exam via Respondus Lockdown. You must download this prior to the exam, here: <https://its.gmu.edu/knowledge-base/how-to-install-and-use-the-respondus-lockdown-browser/> I will not allow for excuses if you have not downloaded the Browser in time. It is your responsibility to be prepared.

Final Exam The exam will be multiple choice, true/false, and short answer. The topics covered on the test will be based on the readings and class lectures. There will be no make-up final exams, except for extreme circumstances that will be decided on a case-by-case basis.

The final exam, **FOR BOTH A AND B GROUPS,** will be on **Thursday, December 10 from 10:30am-1:15pm** per the University's final exam schedule.

You will be required to take the exam via Respondus Lockdown. You must download this prior to the exam, here: <https://its.gmu.edu/knowledge-base/how-to-install-and-use-the-respondus-lockdown-browser/> I will not allow for excuses if you have not downloaded the Browser in time. It is your responsibility to be prepared.

Grading Scale

A+	97-100	B+	87-89	C+	77-79	D	60-69
A	93-96	B	83-86	C	73-76	F	<60
A-	90-92	B-	80-82	C-	70-72		

PREREQUISITES AND EXPECTATIONS

I expect that you have successfully completed the following prerequisites for this course: ECON 103, ECON 104, and MATH 108 or MATH 113. I assume that you have a basic understanding of macro and microeconomic principles, basic algebra, and elementary calculus. If you need to review these topics, I recommend that you use Marginal Revolution University and Khan Academy.

I also expect that you will treat your fellow classmates with respect, even if you disagree with them; reasonable minds can differ on any number of perspectives, opinions, and conclusions. Constructive disagreement sharpens our thinking and deepens our understanding; therefore, it is not only encouraged, but expected. All viewpoints are welcome in my class; however, no ideas are immune from scrutiny and debate.

Regular attendance is essential to successfully completing this course. As such, I expect you to attend all of the lectures. If you need to miss a class, it is your responsibility to obtain all lecture notes and assignments from one of your classmates. However, being that we are in the middle of a global pandemic, I will be very flexible with missed lectures. You need to communicate to me if there are any issues, and I will then be very happy to accommodate late work, excused work, etc.

SCHEDULED OUTLINE OF COURSE EVENTS

ALL students should complete ALL course assignments, readings, and lectures, even if it is assigned on a day your section does not meet. You will be tested over all material listed on the syllabus, even if it is assigned on a day your section does not meet.

As each section only meets 50% of the required time for this class, I will be posting all in-class lectures on Blackboard. So, on Tuesdays, when GROUP A (Section 101) meets, I will post the delivered in-class lecture to Blackboard for GROUP B to watch. This is required, as it covers content that will not be lectured in-person to GROUP B. Similarly, on Thursdays, when GROUP B (Section 102) meets, I will post the delivered in-class lecture to Blackboard for GROUP A to watch. This is required, as it covers content that will not be lectured in-person to GROUP A.

I reserve the right to make adjustments if it becomes necessary, but I will limit changes as much as possible. If a change to the schedule occurs, I will post an announcement in Blackboard, so please be sure to check Blackboard regularly.

WEEK 1

1. August 25: The Science of Macroeconomics

- GROUP A MEETS
- Mankiw, Ch. 1
- The in-class lecture delivered to Group A will be posted on Blackboard for Group B (it will continue like this through the semester)

2. August 27: The Data of Macroeconomics

- GROUP B MEETS
- Mankiw, Ch. 2
- The in-class lecture delivered to Group B will be posted on Blackboard for Group A (it will continue like this through the semester)

WEEK 2

1. September 1: National Income

- GROUP A MEETS
- Mankiw, Ch. 3
- MRU: What is GDP? <https://mru.org/courses/principles-economics-macroeconomics/gross-domestic-product-definition-what-is-gdp>

2. September 3: The Monetary System

- GROUP B MEETS
- Mankiw, Ch. 4
- Radford, *The Organization of a P.O.W. Camp* (1945)
- MRU: Monetary Policy and the Fed <https://mru.org/courses/principles-economics-macroeconomics/monetary-policy-federal-reserve-system>

WEEK 3

Problem Set 1 posted on Blackboard on Tues. September 8, due Tues. September 22 to rbehr@gmu.edu

1. September 8: Inflation

- GROUP A MEETS
- Mankiw, Ch. 5
- MRU: Causes of Inflation <https://mru.org/courses/principles-economics-macroeconomics/causes-of-inflation>
- MRU: Zimbabwe and Hyperinflation <https://mru.org/courses/principles-economics-macroeconomics/zimbabwe-currency-inflation>

2. September 10: Unemployment and the Labor Market

- GROUP B MEETS
- Mankiw, Ch. 7
- MRU: Is Unemployment Undercounted? <https://mru.org/courses/principles-economics-macroeconomics/us-unemployment-rate-undercounted>

WEEK 4

1. September 15: Consumption Theory

- GROUP A MEETS
- Mankiw, Ch. 19

2. September 17: Investment Theory

- GROUP B MEETS
- Mankiw, Ch. 19

WEEK 5

Problem Set 1 due Tues. September 22 to rbehr@gmu.edu!

1. September 22: Economic Growth I

- GROUP A MEETS
- Mankiw, Ch. 8
- MRU: Watch the first 3 videos on this link <https://mru.org/courses/principles-economics-macroeconomics/solow-model-economic-growth>

2. September 24: Economic Growth II

- GROUP B MEETS
- Mankiw, Ch. 9
- MRU: Watch the 4th, 5th, and 6th videos on this link <https://mru.org/courses/principles-economics-macroeconomics/solow-model-economic-growth>

WEEK 6

1. September 29: Economic Growth III

- GROUP A MEETS
- Last 4 MRU videos at this link (beginning with Growth Miracles and Growth Disasters): <https://mru.org/courses/principles-economics-macroeconomics/economic-growth-miracle-and-disaster>
- Glaeser et al (2004) “Do Institutions Cause Growth?”

2. October 1: Economic Growth III

- GROUP B MEETS
- Last 4 MRU videos at this link (beginning with Growth Miracles and Growth Disasters): <https://mru.org/courses/principles-economics-macroeconomics/economic-growth-miracle-and-disaster>
- Glaeser et al (2004) “Do Institutions Cause Growth?”

WEEK 7: MIDTERM REVIEW & EXAM

1. Midterm Review Posted Online on Friday, October 2nd

2. Review Office Hours Held Monday, Oct. 5, 11am-1pm &, Wednesday, Oct. 7, 11am-1pm

3. October 6: GROUP A MEETS

- MIDTERM in-person
- If we are online by this point, GROUP A will take their midterm online, using Respondus Lockdown, during GROUP A class time

4. October 8: GROUP B MEETS

- MIDTERM in-person
- If we are online by this point, GROUP B will take their midterm online, using Respondus Lockdown, during GROUP B class time

WEEK 8

Problem Set 2 handed out Tues. Oct. 13, due Tues. Nov. 3!

1. October 13: Introduction to Economic Fluctuations

- Monday Classes Meet this Tuesday (per University schedule), so your lecture will be asynchronous but will still be delivered. It will be posted on Blackboard.
- Mankiw, Ch. 10
- Lucas, *Understanding Business Cycles* (1977)

2. October 15: Aggregate Supply & Demand I

- GROUP B MEETS
- Mankiw, Ch. 11
- Friedman, *The Role of Monetary Policy* (1968)
- MRU: Understanding the Great Depression <https://mru.org/courses/principles-economics-macroeconomics/business-fluctuations-great-depression-ad-as-model>

WEEK 9

1. October 20: Aggregate Supply & Demand II (The Keynesian Theory of the Business Cycle)

- GROUP A MEETS
- Mankiw, Ch. 12
- MRU: AD-AS Shocks <https://mru.org/courses/principles-economics-macroeconomics/office-hours-multiple-shocks-aggregate-demand-aggregate-supply-model>
- MRU: The Keynesian Business Cycle Theory <https://mru.org/courses/principles-economics-macroeconomics/business-cycle-theories-keynesian>

2. October 22: The Open Economy I

- GROUP B MEETS
- Mankiw, Ch. 6
- Hazlitt, “Who’s Protected by Tariffs?” <https://mises.org/wire/who’s-protected-tariffs>

WEEK 10

1. October 20: The Open Economy II

- GROUP A MEETS
- Mankiw, Ch. 13

2. October 22: The Open Economy III

- GROUP B MEETS
- Mankiw, Ch. 13

WEEK 11

Problem Set 2 due Tues. November 3 to rbehr@gmu.edu!

1. November 3: The New Keynesian Theory of the Business Cycle

- GROUP A MEETS
- Mankiw *New Keynesian Economics* (2018)

2. November 5: Real Business Cycle Theory

- GROUP B MEETS
- Plosser, *Understanding Real Business Cycles* (1989)

- MRU: Real Business Cycle Theory <https://mru.org/courses/principles-economics-macroeconomics/business-cycles-real-business-cycle>

WEEK 12

Problem Set 3 handed out Tues. Nov. 10, due Thurs. Dec. 3!

1. November 10: Austrian Business Cycle Theory

- GROUP A MEETS
- Garrison, *Time and Money: The Universals of Macroeconomic Theorizing* (1984)
- MRU: Austrian Business Cycle Theory <https://mru.org/courses/principles-economics-macroeconomics/business-cycles-austrian-economic-theory>

2. November 12: Monetary Theory of the Business Cycle

- GROUP B MEETS
- Yeager, *A Cash-Balance Interpretation of Depression* (1956)
- MRU: Monetarist Theory of the Business Cycle: <https://mru.org/courses/principles-economics-macroeconomics/business-cycles-monetarists>

WEEK 13

1. November 17: Government Debt and Budget Deficits I

- GROUP A MEETS
- Mankiw, Ch. 17
- Read the Foreword and Preface of *Democracy in Deficit*: <https://www.econlib.org/library/Buchanan/buchCv8.html>
- MRU: The Limits of Fiscal Policy <https://mru.org/courses/principles-economics-macroeconomics/fiscal-policy-limitations>
- MRU: The Dangers of Fiscal Policy <https://mru.org/courses/principles-economics-macroeconomics/fiscal-policy-dangers>
- MRU: Fiscal Policy and Crowding Out <https://mru.org/courses/principles-economics-macroeconomics/fiscal-policy-crowding-out>

2. November 19: Government Debt and Budget Deficits II

- GROUP B MEETS
- Mankiw, Ch. 17
- Read the Foreword and Preface of *Democracy in Deficit*: <https://www.econlib.org/library/Buchanan/buchCv8.html>
- MRU: The Limits of Fiscal Policy <https://mru.org/courses/principles-economics-macroeconomics/fiscal-policy-limitations>
- MRU: The Dangers of Fiscal Policy <https://mru.org/courses/principles-economics-macroeconomics/fiscal-policy-dangers>
- MRU: Fiscal Policy and Crowding Out <https://mru.org/courses/principles-economics-macroeconomics/fiscal-policy-crowding-out>

WEEK 14: NO CLASS, THANKSGIVING BREAK. WE MOVE TO ALL ONLINE-ONLY AFTER THANKSGIVING BREAK.

WEEK 15: Research Projects Due

Problem Set 3 due Thurs. Dec. 3 to rbehr@gmu.edu!

1. December 1: GROUP A MEETS
 - GROUP A projects due!
2. December 3: GROUP B MEETS
 - GROUP B projects due!
3. Office Hours MW, 11am-1pm (November 30, December 2, 7, 9) for exam preparation
4. Review Lecture posted on Blackboard on Friday, December 4

WEEK 16: Final Exam Week

- The final exam, **FOR BOTH A AND B GROUPS**, will be on **Thursday, December 10 from 10:30am-1:15pm** per the University's final exam schedule.
- The final exam will be administered online with Respondus Lockdown.

ACADEMIC INTEGRITY

Academic integrity is crucial for being both a good student and a good person. Cheating will be punished severely. Cheating will not be tolerated and can result in a failing grade, dismissal from class, and expulsion from the university. If I suspect you of cheating, I will seek the appropriate punishment under George Mason University guidelines. Respondus Lockdown browser will be used to administer exams, but I expect you will not cheat by using textbooks or other electronics during the exams. Review the Mason Honor Code here: <https://oai.gmu.edu/mason-honor-code/>

I will not accept any documents, assignments, papers, etc. that are sent as corrupted files. You will immediately be deducted 10 points. You are responsible for ensuring the document you send me is properly working and uncorrupted.

DIVERSITY

GMU is committed to diversity. As I mentioned above, all viewpoints in class will be considered with respect, and all ideas are subject to economic scrutiny. Please be respectful in class to all ideas presented. There is large value to an inclusive learning experience – I truly believe we gain the most by interacting and discussing with others.

Please inform me of any days you will be unavailable due to religious observances. I am happy to accommodate you if I am made aware of your absence(s) ahead of time, within the first two weeks of the course. See the religious holidays calendar here: <https://ulife.gmu.edu/religious-holiday-calendar/>

TUTORING SERVICES

Unfortunately, due to COVID-19, tutoring services are currently unavailable. I am here to help you and can meet by appointment or during office hours. Tutoring may become virtually available and I will update you as more information becomes available.

STUDENT SERVICES

Keep Learning, Learning Services (learningservices.gmu.edu/keeplearning/)

- University Libraries (library.gmu.edu)
- Writing Center (writingcenter.gmu.edu)
- Counseling and Psychological Services (caps.gmu.edu)
- See a longer list of Mason student support services posted on The Stearns Center website.

TECHNOLOGY

NO LAPTOPS OR CELLPHONES SHOULD BE PRESENT DURING CLASS TIME. I find they are more disruptive to learning than they are helpful. Simply paying attention to the lecture and following along with the PowerPoint should serve as most beneficial way to learn the content.

Please familiarize yourselves with “Netiquette” at GMU. I you to be respectful and use proper etiquette when discussing any coursework online. See the [core rules of "Netiquette"](#).

SPECIAL ACCOMODATIONS

If you have a documented learning disability or other condition that may affect academic performance you should: 1) make sure this documentation is on file with Disability Services (SUB I, Rm. 4205; 993-2474; <http://ds.gmu.edu>) to determine the accommodations you need; and 2) talk with me to discuss your accommodation needs. Please see me immediately following the first class so that we can work together to make sure that you have what you need to succeed in this course. Visit <http://ds.gmu.edu/> for more information on resources available to students at GMU.

POLICY REGARDING AUDIO/VIDEO RECORDING & PICTURES

For the privacy and comfort of your fellow students, audio and video recordings, as well as photography, is strictly prohibited during class. However, I will be recording our in-class lectures to post for the other section of the class. If you have an issue with this, please let me know.

NOTICE OF MANDATORY REPORTING OF SEXUAL ASSAULT, VIOLENCE, AND STALKING

I am designated as a “Responsible Employee,” and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1412. You may seek assistance from Mason’s Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.

PRIVACY

Student privacy is governed by the Family Educational Rights and Privacy Act (FERPA) and is an essential aspect of any course. See your rights under FERPA here: <https://registrar.gmu.edu/ferpa/>

Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.