

DARTMOUTH COLLEGE
Department of Economics

Economics 22
Macroeconomics

Professor Nancy Marion
Spring 2005

Syllabus

The Course

Macroeconomics is concerned with the behavior of the economy as a whole. It helps us find answers to big questions: What determines the rate of growth of an economy? What are the factors that cause high or low unemployment? Why are there recessions and booms? What is the proper role of the government in stimulating growth, limiting inflation, and reducing high unemployment? How do economic changes in one country affect the economies of the rest of the world? These questions are important not only for the economic health of a nation, but also for every individual. Macroeconomics can help us evaluate proposals of political leaders regarding taxes, interest rates, and public spending, for example. In this course, we shall confront these big questions with the help of general equilibrium models. We will construct these models and use them to analyze the determinants of GDP, unemployment, the rate of inflation, and the growth of output. We will also develop analytical tools to help us analyze policies and understand current macroeconomic controversies.

Readings

The required text for the course is:

N. Gregory Mankiw, Macroeconomics, Fifth Edition, 2003.

There is a workbook that accompanies the text. It has lots of problems you can work through as well as answers. The workbook is optional but a helpful study tool.

Class discussions will deal with current economic events, so please read the economic news from a major newspaper (online) or The Economist magazine on a regular basis.

Occasionally, supplementary readings will be assigned.

Administrative Matters

Course documents, such as class notes, handouts, homework assignments and answer keys will be posted on Blackboard. You may access Blackboard by going to <http://www.dartmouth.edu/> and clicking on “Blackboard” located in the Academics & Research section of Dartmouth’s home page.

Professor Marion's office is 325 Rockefeller Center. Her email address is nancy.marion@dartmouth.edu and her office phone is 646-2511. Office hours are Wednesdays and Fridays 1:45 p.m.-3:30 p.m. and by appointment.

The Dartmouth College Academic Skills Center offers a range of services for students, including academic skills workshops, private tutoring, assistance for students with learning and physical disabilities, and more. The Center may organize study groups for Economics 22 students if there is sufficient interest.

Any students with a documented disability who may need disability related classroom and exam accommodations should see Professor Marion by April 20. All conversations are confidential, although the Academic Skills Center must verify the documentation of the disability.

Homework

There will be problem sets throughout the term. They will be posted on Blackboard. You should do all of them in order to monitor your progress. They will be collected, monitored for effort and completeness, but not graded. Solutions to the problem sets will be posted with a lag. You may work together on problem sets but should turn in your own individually-written problem set.

Grades

There will be two midterm exams and a comprehensive final exam. Each exam will be preceded by an optional evening review session. Each midterm exam is worth 30% of your grade, while the final exam is worth 40%. In addition, no student will pass the course without passing the final exam. At the margin, conscientious work on problem sets and class participation can favorably affect your grade.

Exam schedule:

Midterm 1: Tuesday (X-hour) April 26
Midterm 2: Tuesday (X-hour) May 17
Final Exam: Friday, June 3 at 11:30 a.m.

Schedule

The next page shows the schedule of class meetings and topics. Chapter numbers refer to the Mankiw text, 5th edition. If you already have the 4th edition, you may use that text, but note that some chapter numbers (but not the chapter titles) are different in the two editions.

Schedule for Economics 22 - Spring 2005

March 30	Introduction to Macroeconomics (Chapter 1)
Wednesday, April 1	Macroeconomic Data (Chapter 2)
Monday, April 4	National Income (Chapter 3)
Wednesday, April 6	The Classical Model (Chapter 3)
Friday, April 8	Money (Chapter 4)
Monday, April 11	Interest Rates, Inflation (Chapter 4)
Wednesday, April 13	NO CLASS
Friday, April 15	Growth (Chapter 7)
Monday, April 18	NO CLASS
Wednesday, April 20	NO CLASS
Friday, April 22	Growth (Chapter 8)
Monday, April 25	The Short Run: Aggregate Supply & Demand (Chapter 9)
Tuesday, April 26 - X	First Midterm Exam
Wednesday, April 27	IS/LM Model (Chapter 10)
Friday, April 29	IS/LM Model (Chapter 10)
Monday, May 2	IS/LM Model (Chapter 11)
Tuesday, May 3 - X	The Great Depression (video)
Wednesday, May 4	IS/LM Model (Chapter 11)
Friday, May 6	NO CLASS
Monday, May 9	The Open Economy (Chapter 12)
Wednesday, May 11	Financial Crises in Emerging Markets (Chapter 12)
Friday, May 13	Aggregate Supply (Chapter 13)
Monday, May 16	Aggregate Supply (Chapter 13)
Tuesday, May 17 - X	Second Midterm Exam
Wednesday, May 18	Stabilization Policies (Chapter 14)
Friday, May 20	Macro Issues in Post-Saddam Iraq (guest speaker)
Monday, May 23	U.S. Fiscal Deficits (Chapter 15)
Tuesday, May 24 - X	U.S. Trade Deficits and the Dollar
Wednesday, May 25	Consumption (Chapter 16)
Friday, May 27	Money Supply and Demand (Chapter 18)
Monday, May 30	Memorial Day – NO CLASS
Wednesday, June 1	Conclusion, Review