

Economics 302 (Sec. 001)  
Intermediate Macroeconomic  
Theory and Policy  
(Fall 2010)

Instructor: Prof. Menzie Chinn

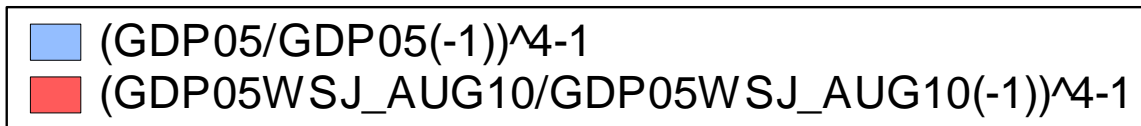
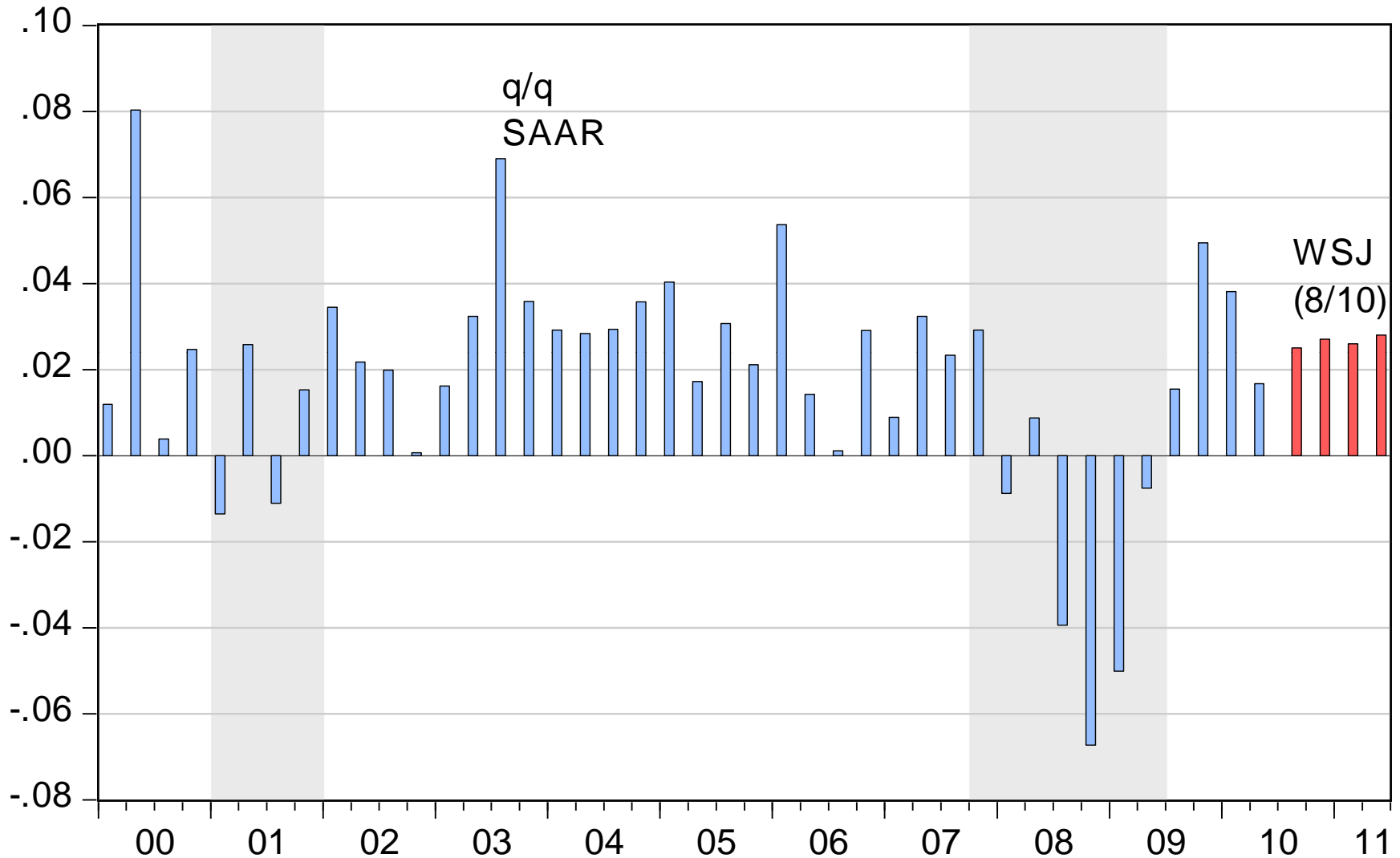
# Administrative Issues

- Course website:  
[http://www.ssc.wisc.edu/~mchinn/web302\\_f10.html](http://www.ssc.wisc.edu/~mchinn/web302_f10.html)
- OH: MW 4-5, 7418 Soc Sci
- Textbook: Hall & Papell, *Macroeconomics*
- Additional Readings: from WWW, Econbrowser, CBO
- *NYT, FT, WSJ, Economist*

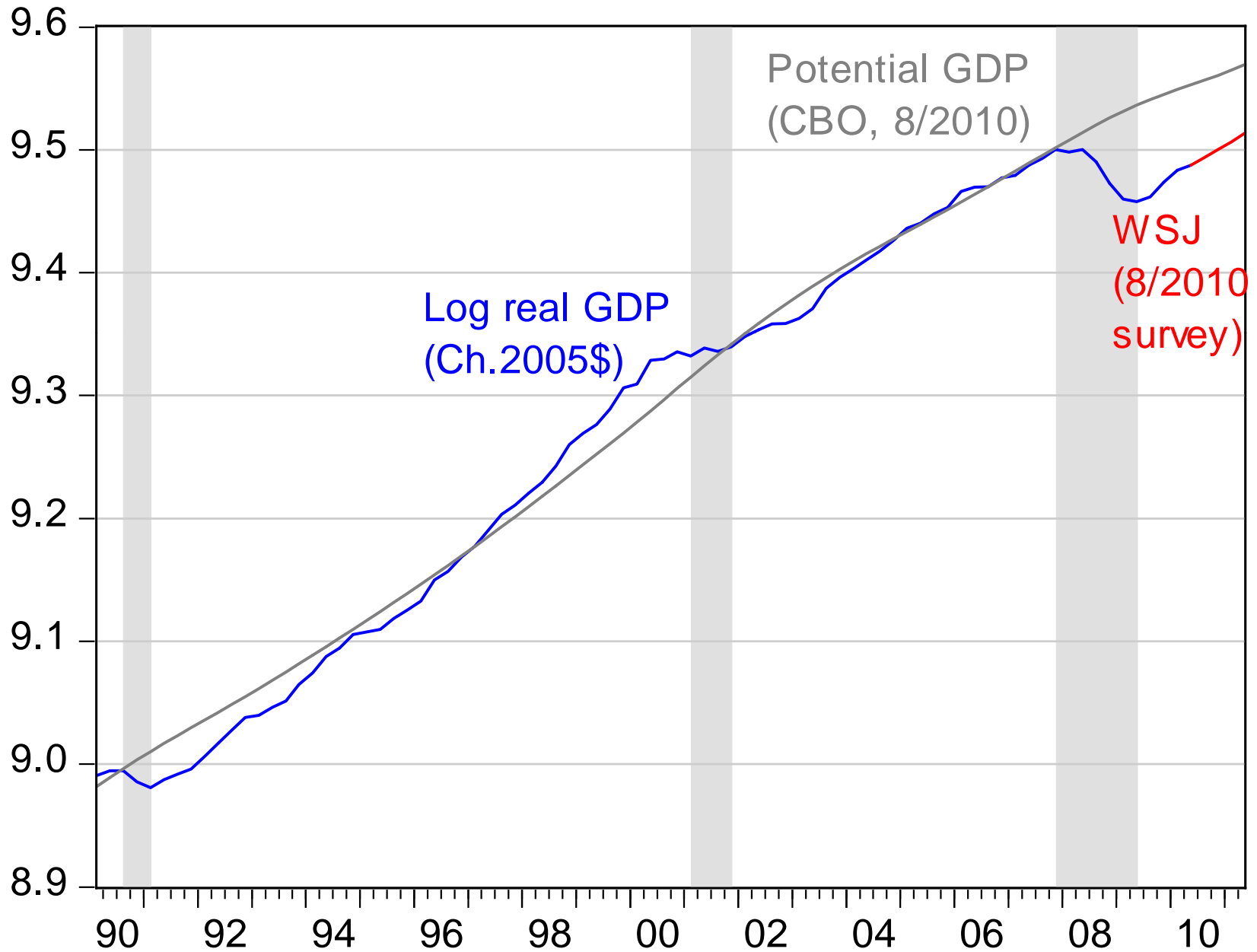
# Administrative Issues

- Grading: 20% PS, 50% 2×MTs, 30% Final
- Dates:
  - MT1 on Wed, 10/6
  - MT2 on Wed, 11/17
  - **Final on Mon. 12/20, 2:45PM**
- Make-ups: **None**. Points are re-allocated *if* you have a legitimate excuse. **No** late assignments accepted (must be handed in during lecture)

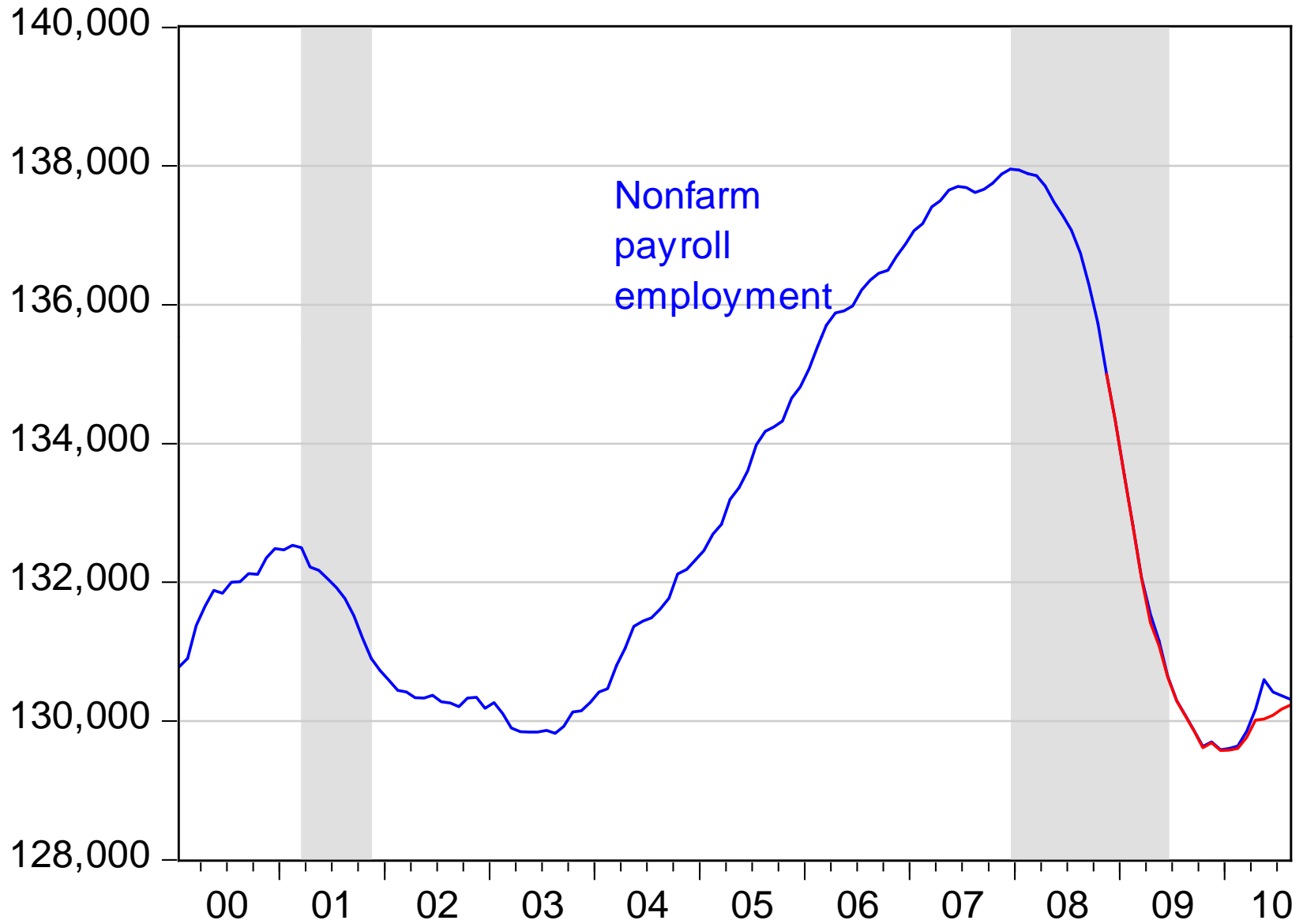
# Context: GDP Growth



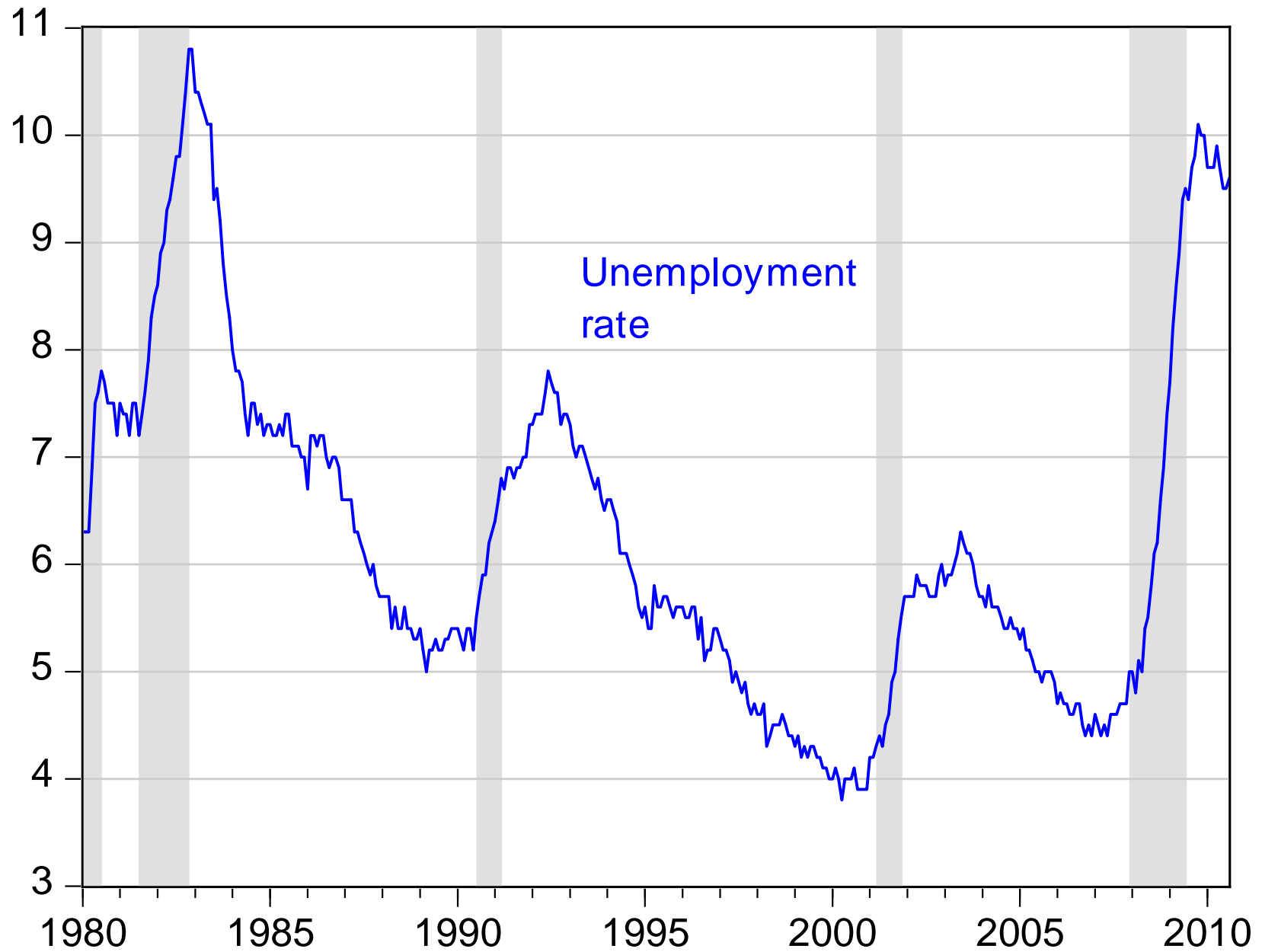
# GDP (log levels)



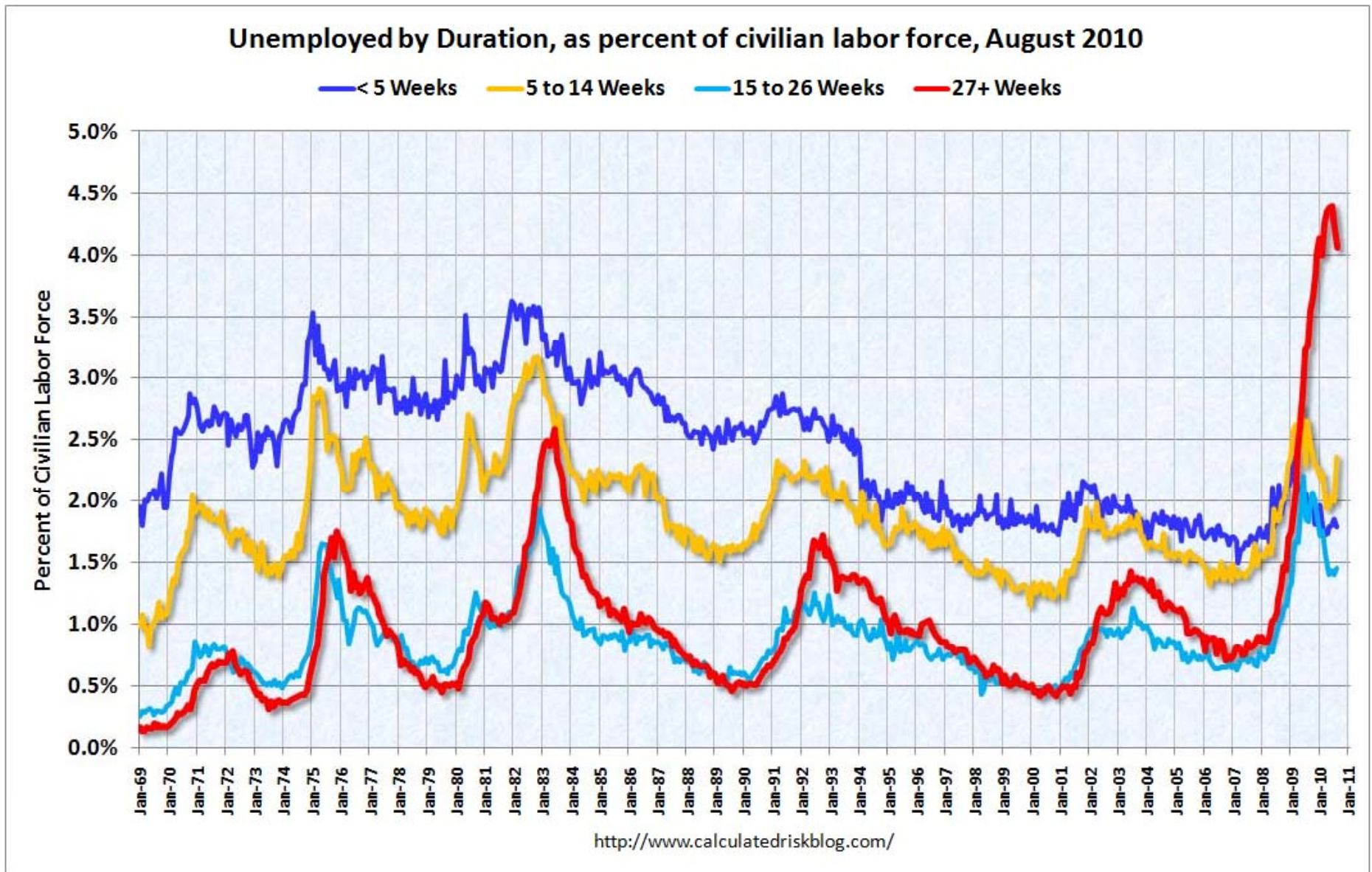
# Employment



# Unemployment Rate



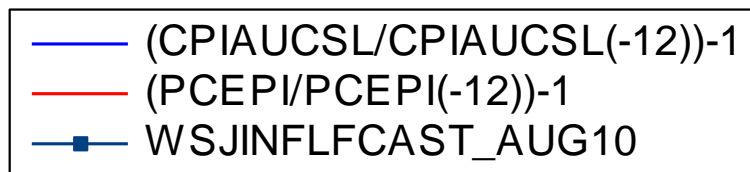
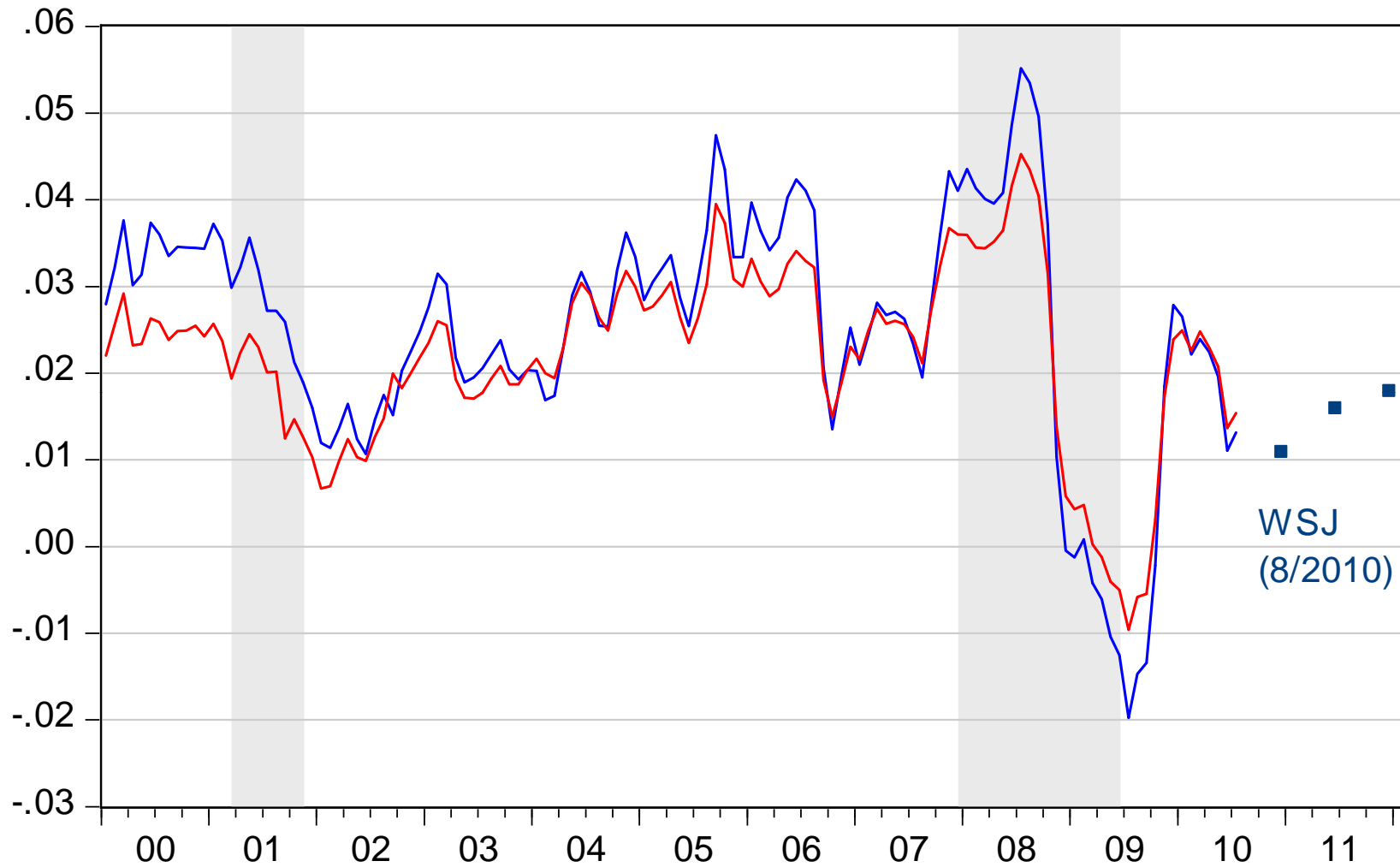
# Unemployment Rate, by Duration



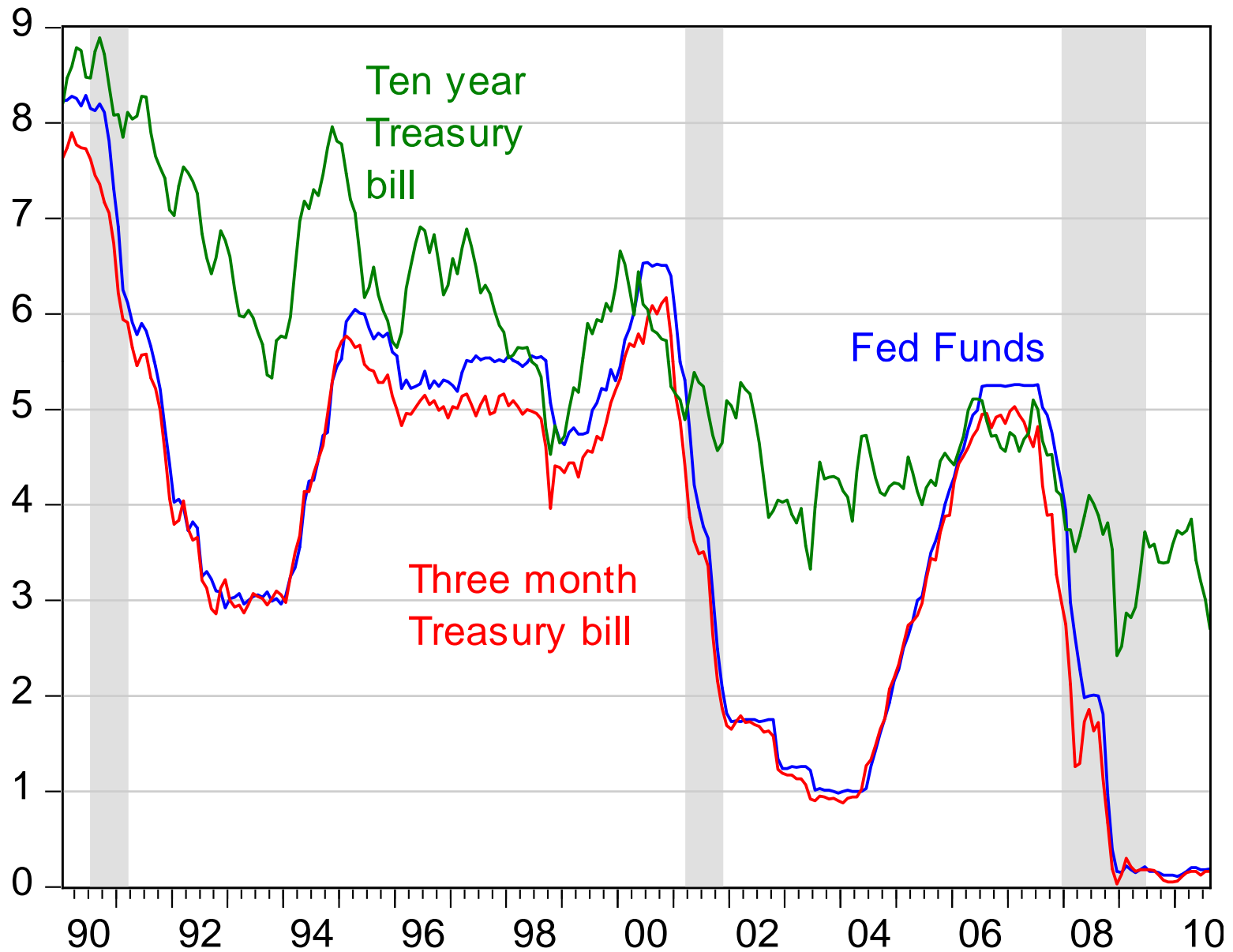
Source: CR, 9/4/2010



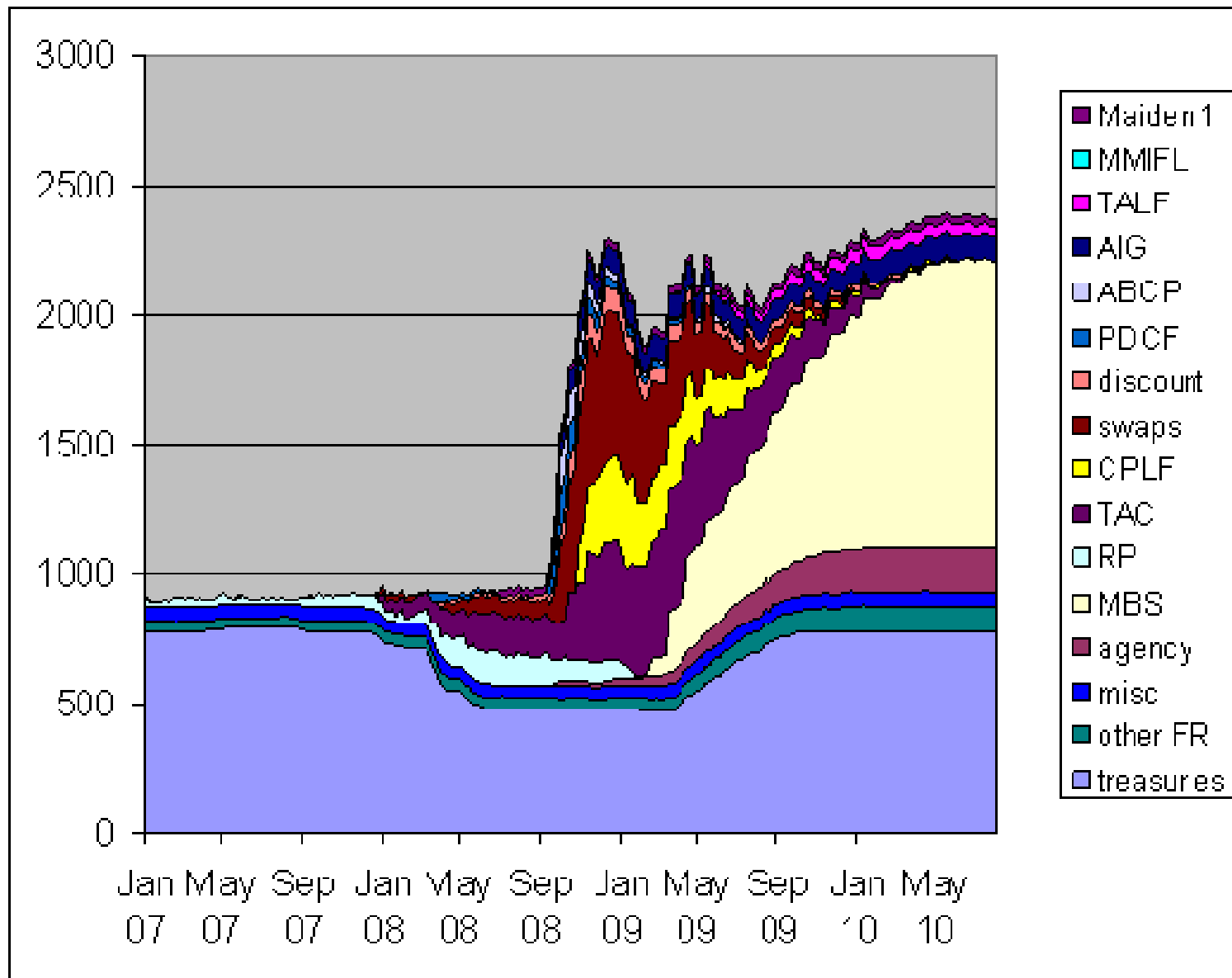
# Inflation



# Monetary Policy

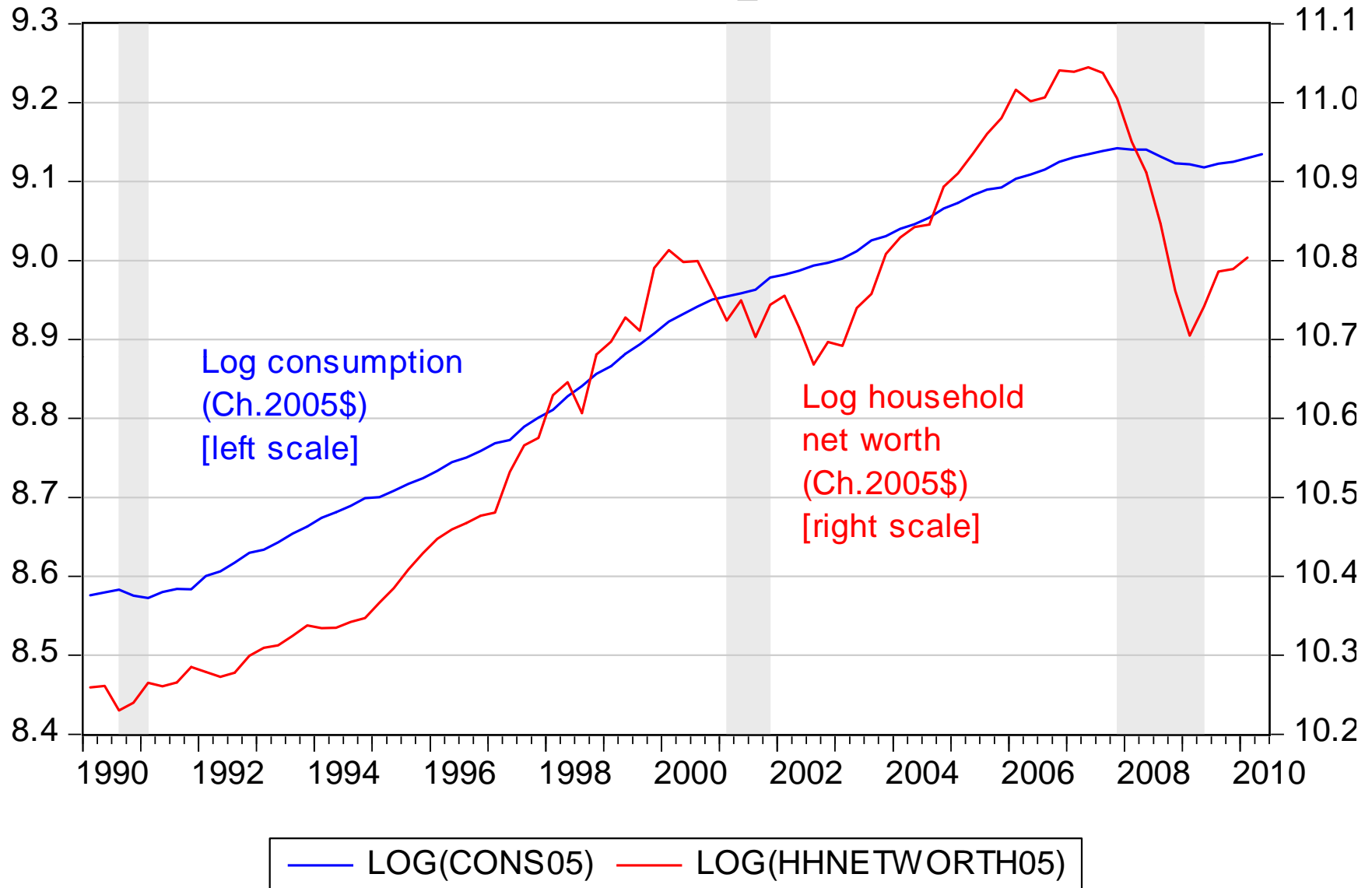


# Monetary Policy/Credit Easing



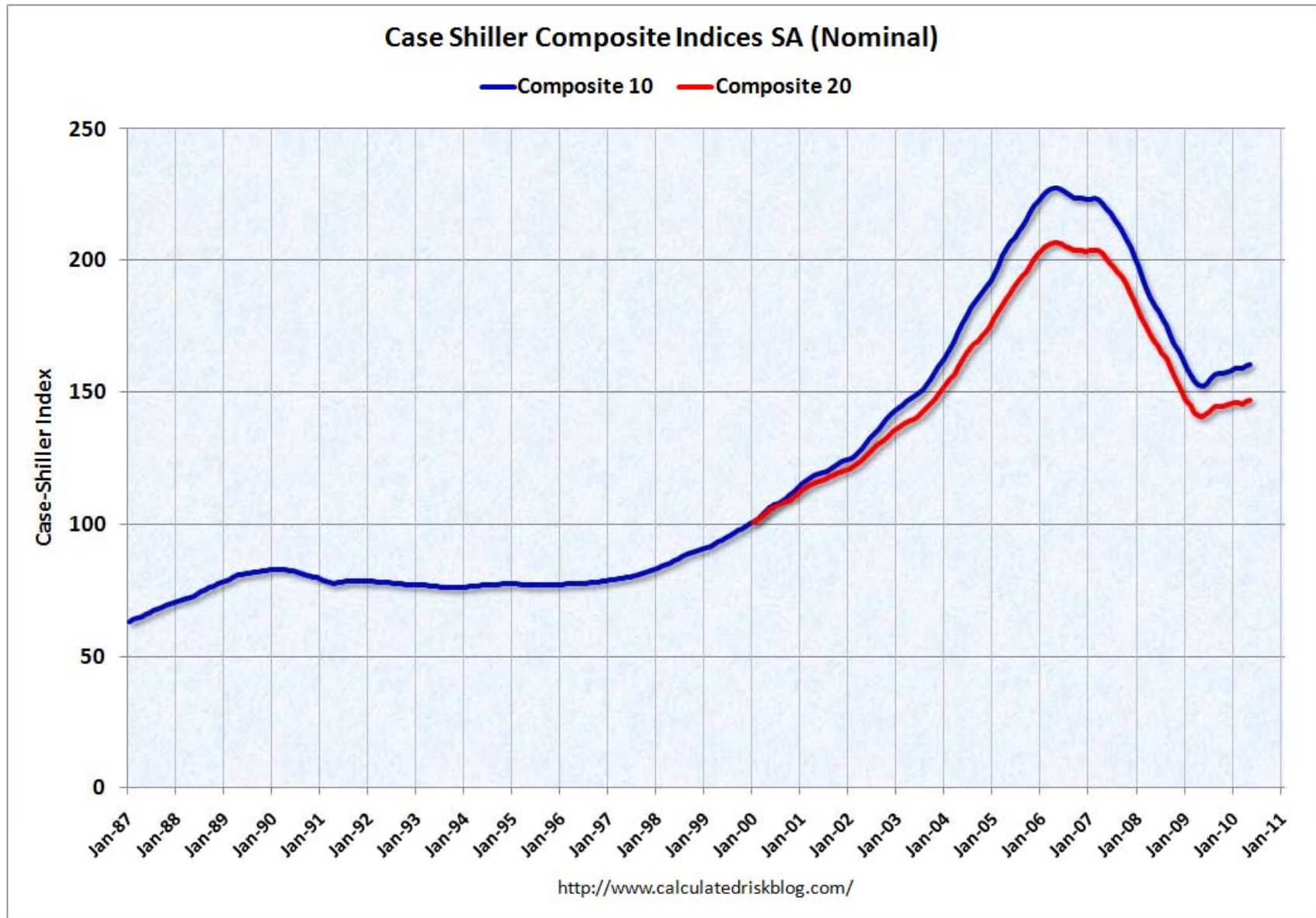
Source: Econbrowser, 8/11/2010, using data thru 8/4

# Consumption



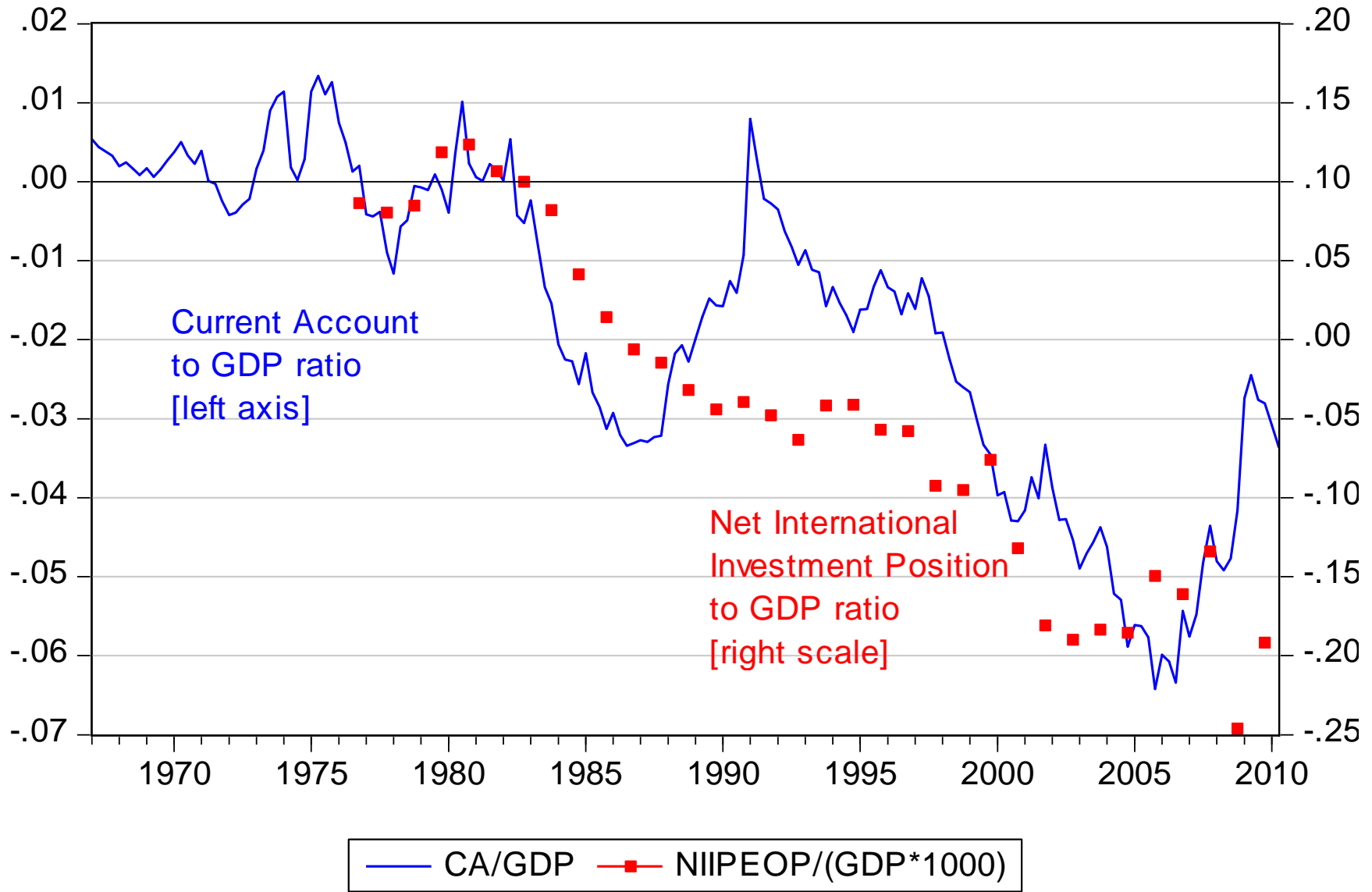
Source: BEA, 2010Q2 2<sup>nd</sup> release; Fed Flow of Funds (8/23/2010 release)

# House Prices

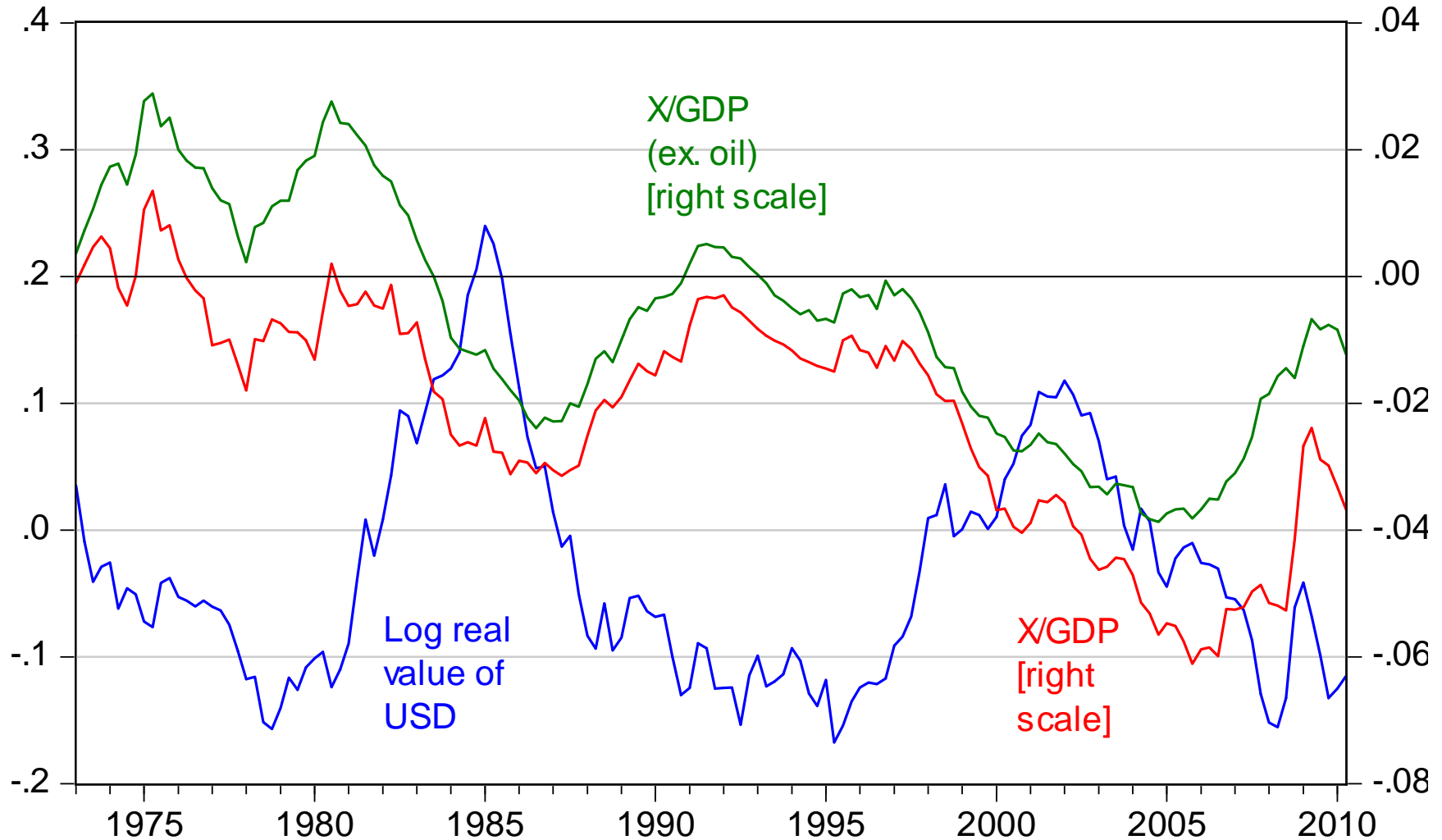


Source: *Calculated Risk*, 7/27/2010

# Current Account, Net Debt

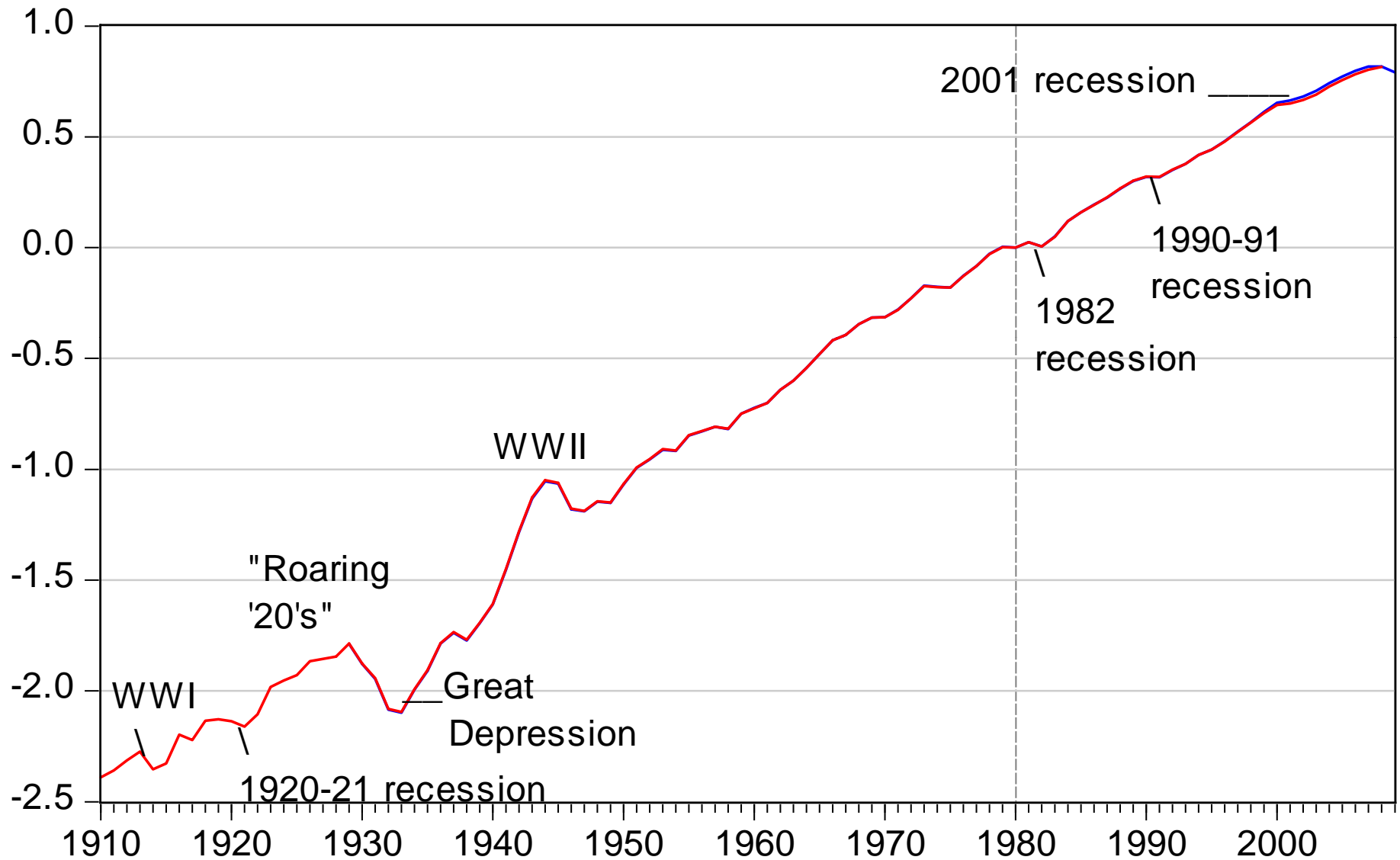


# Net Exports and the Dollar



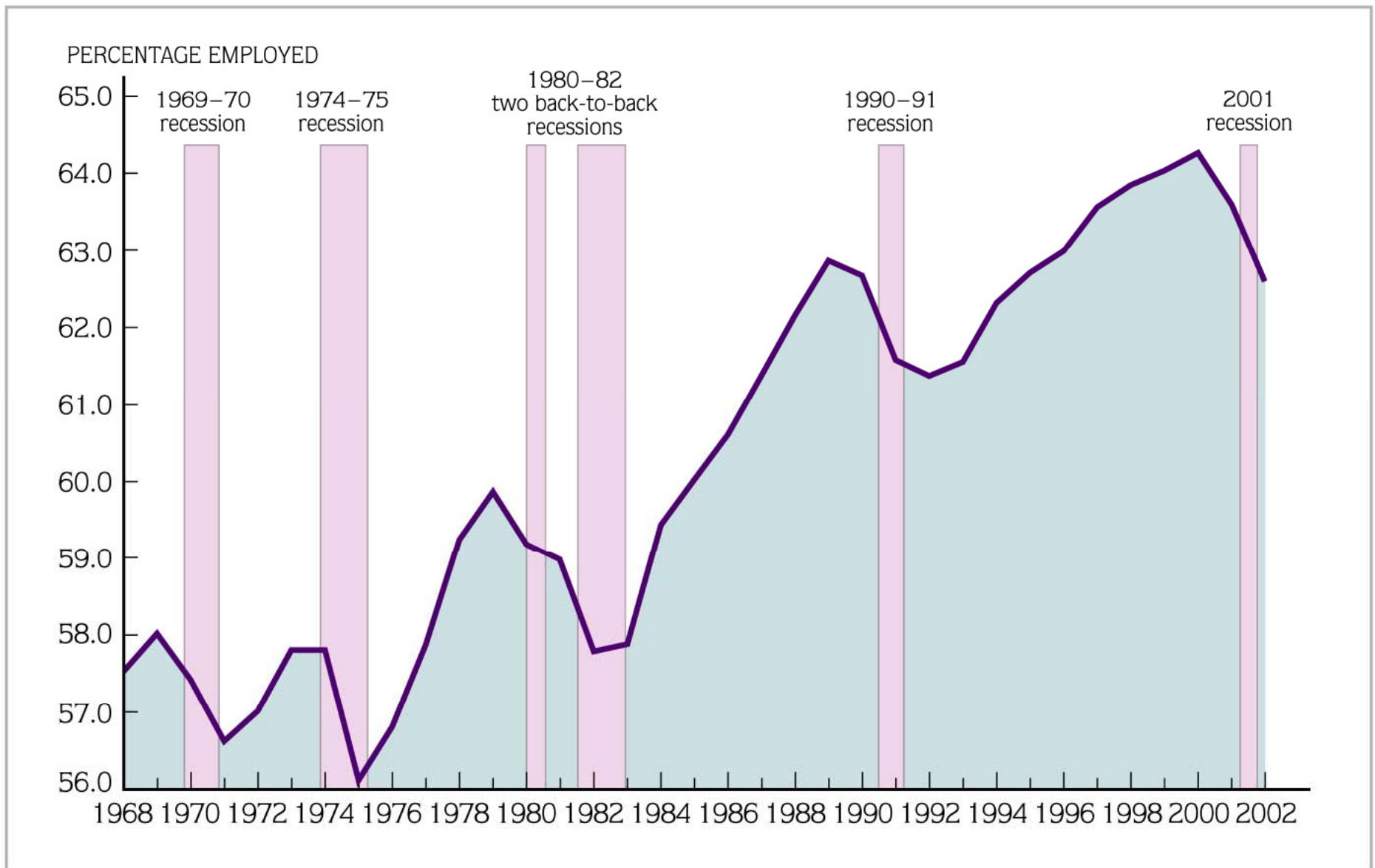
Source: Federal Reserve Board, and BEA, 2010Q2 GDP 2<sup>nd</sup> release

# Long Term Log GDP

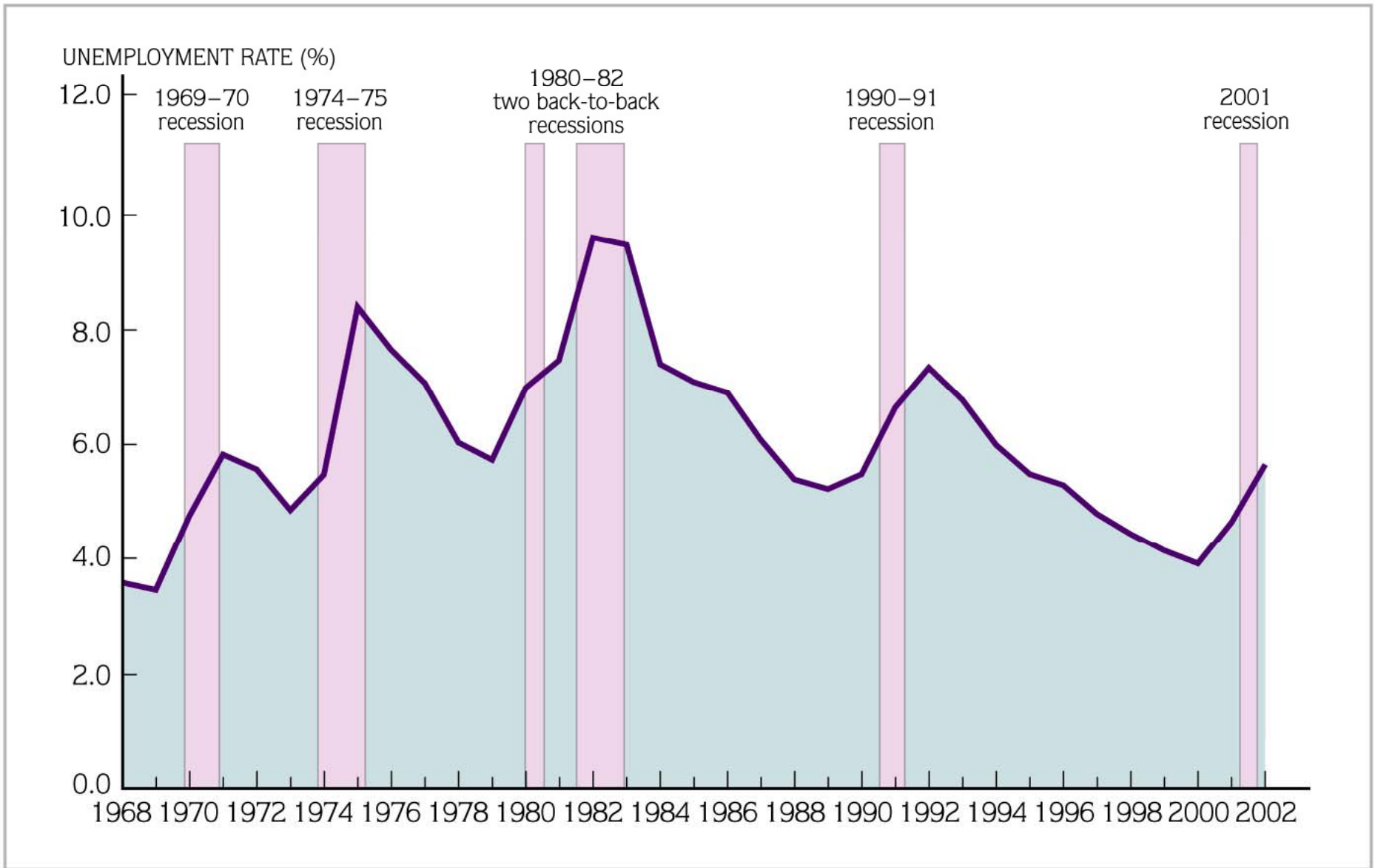


Source: Historical Statistics, and BEA, 2010Q2 GDP 2<sup>nd</sup> release, rebased to 1980 = 0

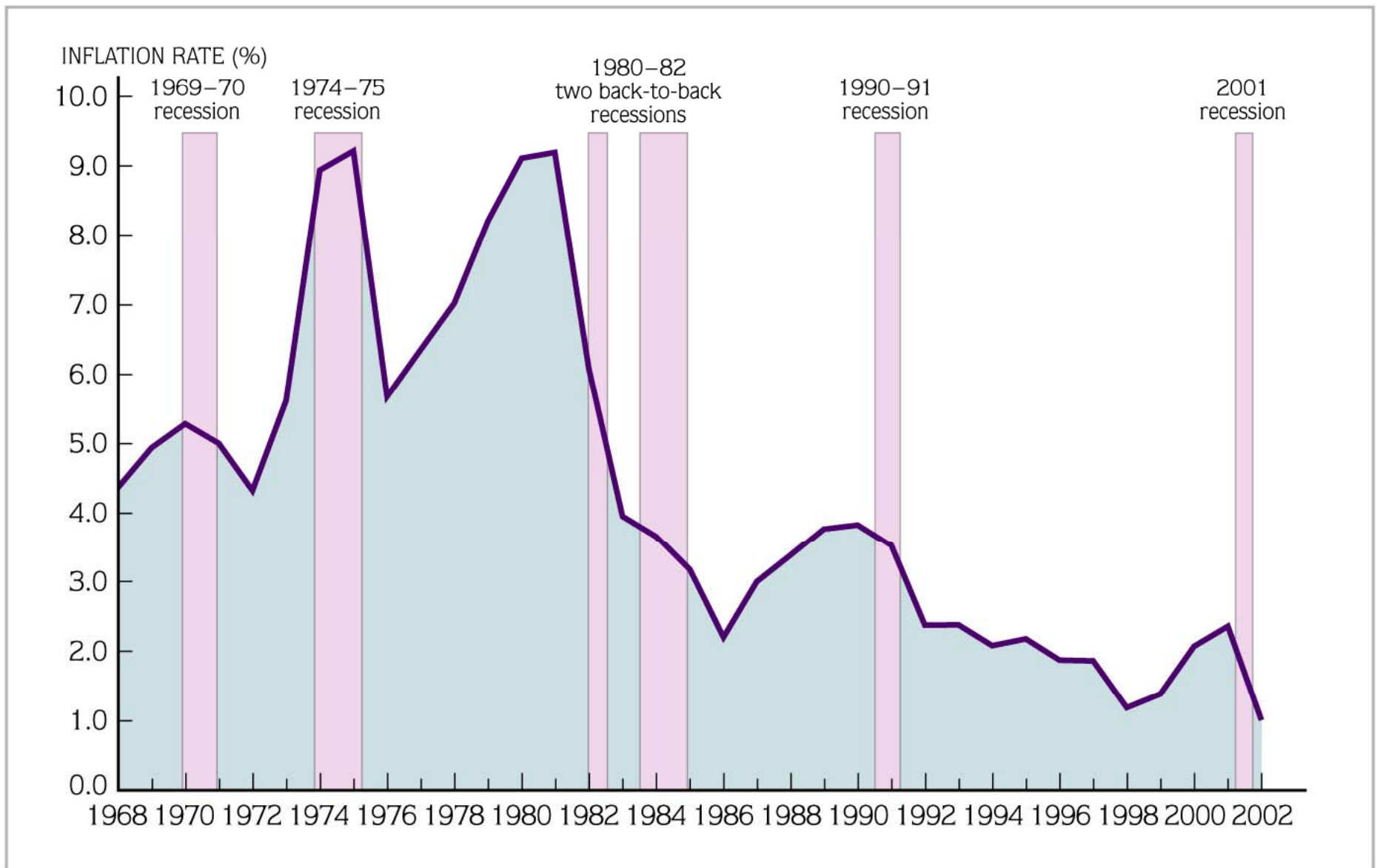




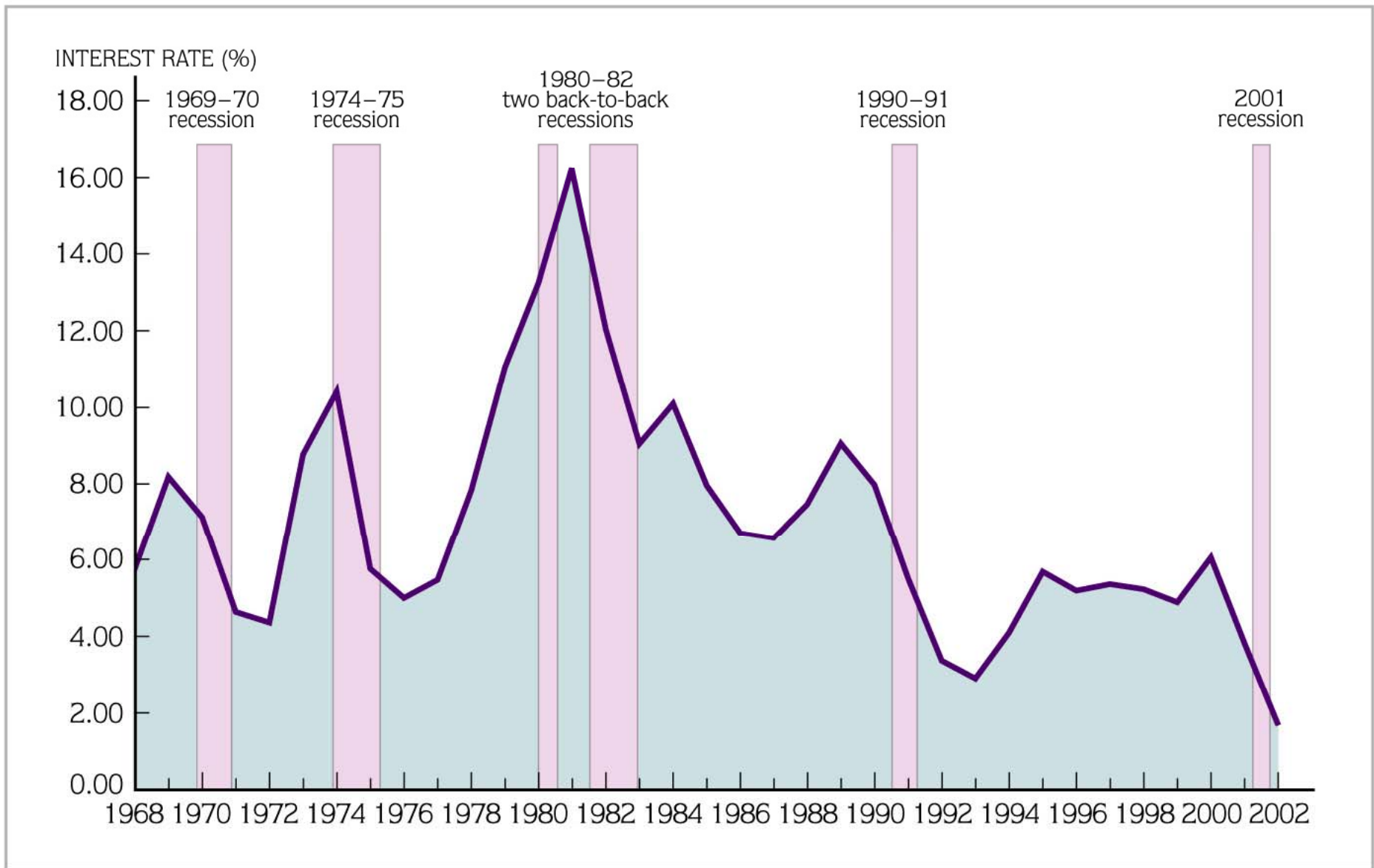
**FIGURE 1.4** Employment as a Percentage of the Working-Age Population



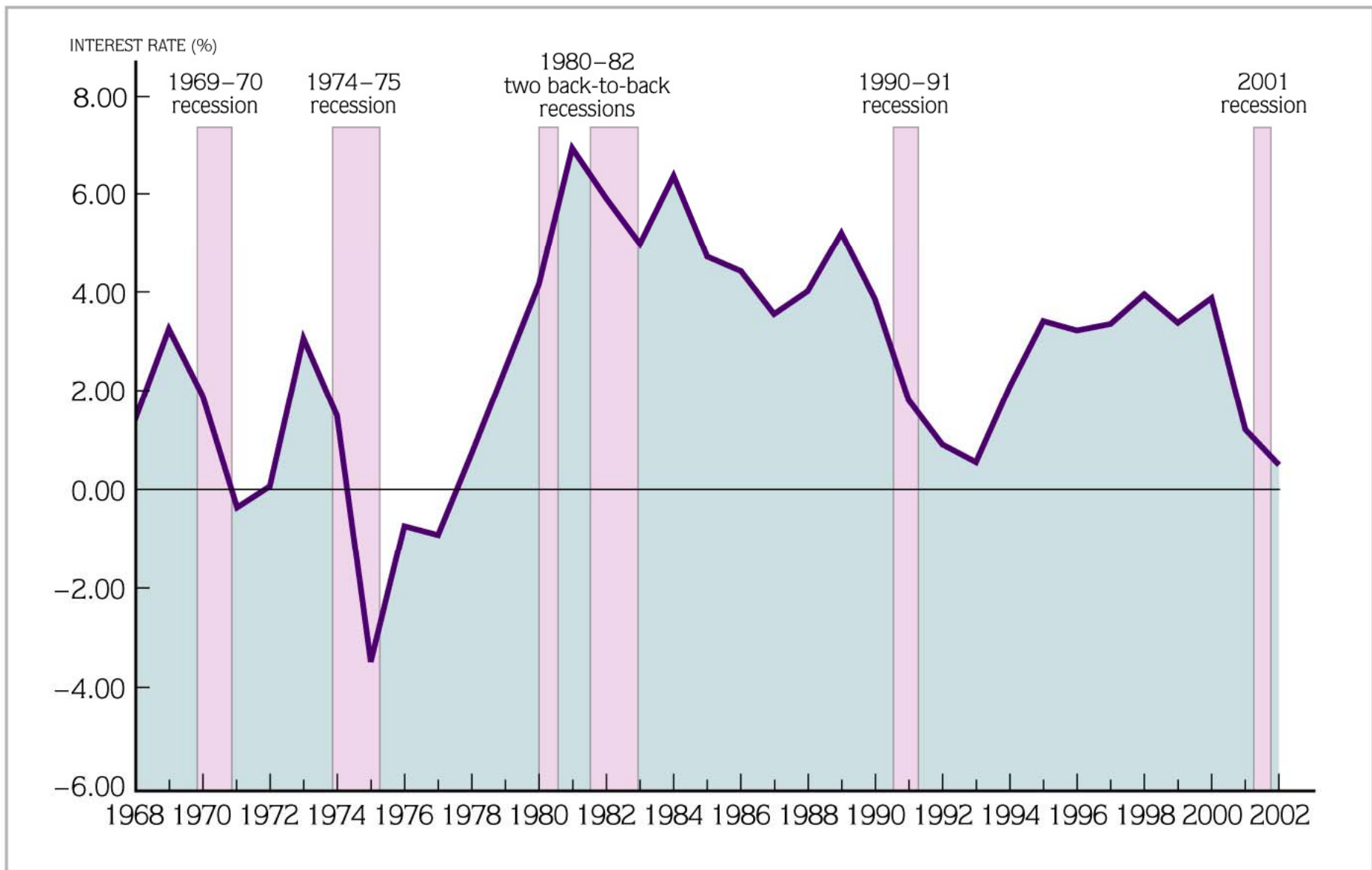
**FIGURE 1.5** The Unemployment Rate



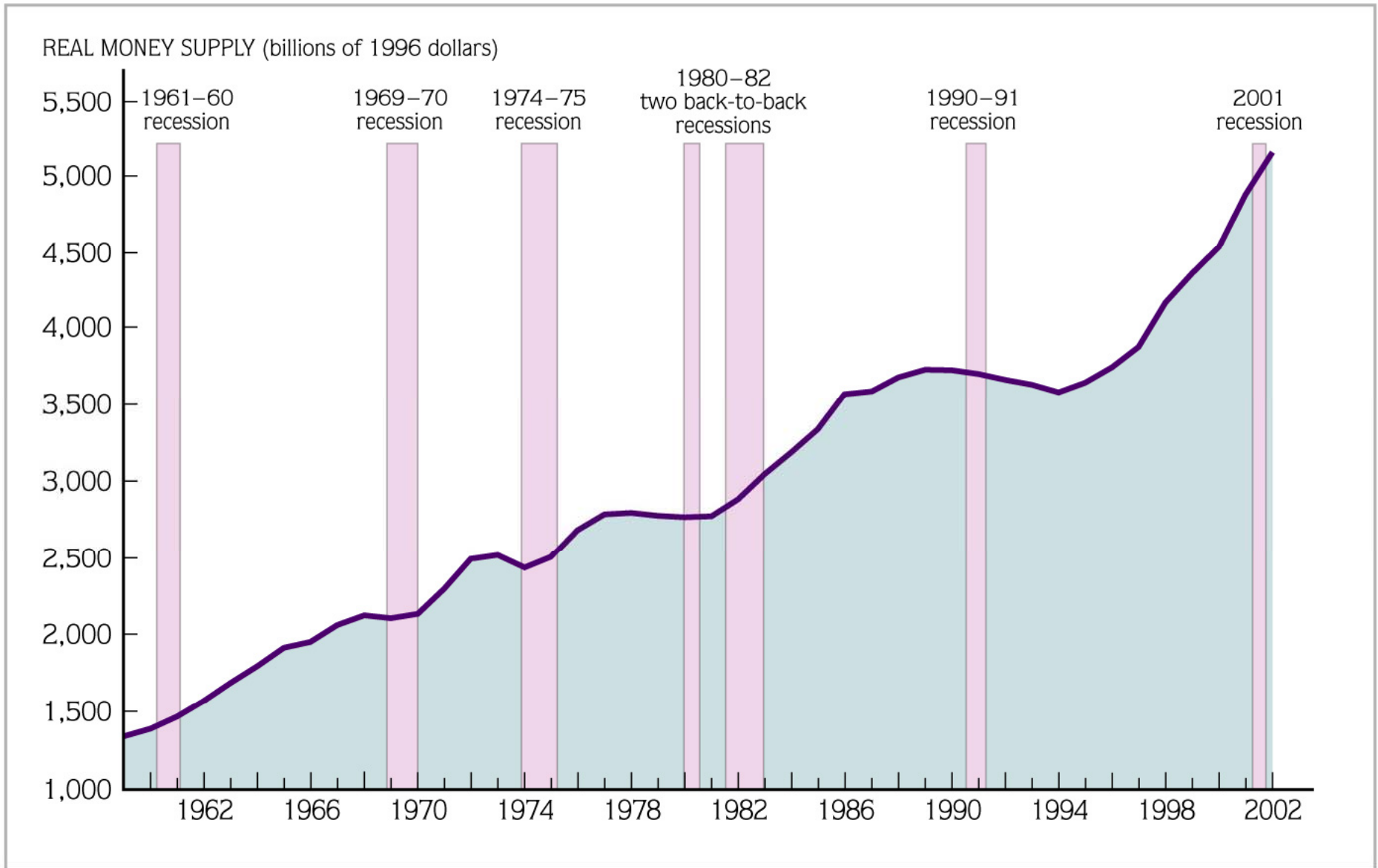
**FIGURE 1.6** The Rate of Inflation



**FIGURE 1.7** The Federal Funds Interest Rate



**FIGURE 1.8** The Real Interest Rate



**FIGURE 1.9** The Money Supply