

Economics 312

Intermediate Macroeconomics: Advanced Treatment

Professor: Noah Williams

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Office hours: 2:30-3:30 Tuesday, or by appointment.

Course Schedule:

Lectures: Monday and Wednesday from 2:30-3:45 PM, **Van Hise 155**.

All course documents and communication will also be on the class web page:

<http://www.ssc.wisc.edu/~nwilliam/Econ312>

Course Objectives:

To develop a thorough understanding of how the economy works at aggregate level and how total output, employment, prices, interest rates and exchange rates are determined. To explore the factors underlying economic growth, business cycles, inflation, and unemployment. To acquire the ability to assess rigorously the effects of various government policies and outside shocks on these features of the economy.

We will use the tools developed to address issues such as: What leads to long run economic growth? What can account for the differences in wealth across countries? What are the sources of business cycle fluctuations and what, if anything, should the government do to alleviate business cycles? What are the effects of monetary policy on the economy? How do government budget deficits and surpluses affect the economy?

The course makes extensive use of mathematics, mainly differential calculus. This allows both a deeper analysis of the microeconomic foundations of macroeconomic theory, and a more quantitative analysis of the models presented. Students who do not find a quantitative approach to the material appealing should take Economics 302 instead, which covers similar topics with a less mathematical focus.

Textbook and Materials:

Williamson, Stephen D. *Macroeconomics*. Third edition. 2008. Pearson Addison-Wesley.

There will occasionally be supplemental materials, such as pieces from *The Economist* and other sources, posted on the class web page for discussion.

Grading:

Problem Sets (20%): There will be eight problem sets for the semester. On weeks with homework, they will be handed out on a Monday and due on the following Monday. Students should do the problem sets individually. No late homework will be accepted. The lowest problem set score will be dropped in calculating the grade.

Midterm Exams (40%, 20% each): There will be two midterm examinations in class on February 25 and April 13.

Final Exam (40%): The final exam will be on May 13, 10:05 AM-12:05 PM, covering material from the entire semester.

Schedule:

Additional material or changes in the schedule will be posted on the class web page.

DATE	TOPICS	READINGS	HW/TEST
1/21	Overview and Measurement	Ch. 1-2	
1/26-28	Labor Demand, Labor Supply	Ch. 4-5	
2/2-2/4	General Equilibrium Applications of Static GE	Ch. 5	HW1/due 2/9
2/9-11-16	Consumption, Saving, Investment	Ch. 8-9	HW2/due 2/16
2/18-23	Long-Run Economic Growth	Ch. 6	HW3/due 2/23
2/25	Midterm 1		Midterm 2/25
3/2-4	Convergence and Endogenous Growth	Ch. 7	HW4/due 3/9
3/9-11-23	Business Cycles Real Business Cycles	Ch. 3, Ch.11 (403-13)	HW5/due 3/30
3/25-30-4/1	Money Money & Business Cycles	Ch 10, Ch.11 (413-23), Ch 17 (627-35)	HW6/due 4/6
4/6-8	The Keynesian Model	Ch.16 (589-598), Ch. 12	
4/13	Midterm 2		Midterm 4/13
4/15	Unemployment	Ch. 16 (rest)	
4/20-22	More on Unemployment Monetary Policy	Ch. 15 (566-75)	HW6/due 4/27
4/27-4/29	More on Monetary Policy International Trade	Ch. 17 (635-47) Ch 13	HW7/due 5/4
5/4-6	International Finance Financial Intermediation and Financial Crises	Ch14 Ch 15 (576-588)	Final review
FINAL EXAM, 5/13			