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

• 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% $2 \times$ 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

\[
\frac{(GDP_{05}/GDP_{05}(-1))^{4-1}}{(GDP_{05WSJ\_AUG10}/GDP_{05WSJ\_AUG10(-1)})^{4-1}}
\]
GDP (log levels)

Potential GDP (CBO, 8/2010)

Log real GDP (Ch.2005$)

WSJ (8/2010 survey)
Unemployment Rate

Unemployment rate

Unemployment Rate, by Duration

Unemployed by Duration, as percent of civilian labor force, August 2010

Source: CR, 9/4/2010
Inflation

WSJ
(8/2010)

(CPIAUCSL/CPIAUCSL(-12))-1
(PCEPI/PCEPI(-12))-1
WSJINFLFCAST_AUG10
Monetary Policy

Ten year Treasury bill

Fed Funds

Three month Treasury bill
Monetary Policy/Credit Easing

Source: Econbrowser, 8/11/2010, using data thru 8/4
Source: BEA, 2010Q2 2nd release; Fed Flow of Funds (8/23/2010 release)
House Prices

Case Shiller Composite Indices SA (Nominal)

Source: Calculated Risk, 7/27/2010

http://www.calculatedriskblog.com/
Net Exports and the Dollar

Source: Federal Reserve Board, and BEA, 2010Q2 GDP 2nd release
Source: Historical Statistics, and BEA, 2010Q2 GDP 2nd 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