EC211 Macroeconomics

Module: Macroeconomics
Seminar Leader: Dirk Ehnts
Course Times: Mondays and Wednesdays, 10:45-12:15
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Office Hours: Tuesdays 15:30-17:00

Course Description
This course familiarizes students with the main models that macroeconomists use to analyze the way economies behave. The course begins by examining theories that seek to explain long-term economic growth. We then focus our attention on investigating economic theories that explain short run business cycles, the periods of recession and boom that occur on a regular basis. An important part of the module is to investigate the role of governments in affecting the long and short-term economic prospects of their countries. We apply this theoretical knowledge to a range of current economic issues, including budget deficits and national debt, international trade, and the role of institutions.

Learning Outcomes:
- Understanding of economic activity at the macro-level of market economies
- Knowledge of the relationship between social and political institutions and the operation of economic exchange
- Critical assessment of the role of governments in stimulating economic outcomes such as growth and employment
- Ability to assess real-world economic phenomena within the framework of theories presented within the seminar

Requirements
Students taking this class should have already successfully completed the classes "Mathematics for economics" and "Principles of Economics". This course deepens our understanding of macroeconomics discussed in the Principles class in a more detailed and formal fashion.

Textbooks

Attendance
Attendance at ALL classes is expected. More than two absences (that is absences from two sessions of 90 minutes) in a semester will significantly affect the grade for the course.

Assessment
Assessment will be based on attendance, preparation for classes, regular and active participation, problems sets, as well as a mid-term (60 minutes) and a final examination (90 minutes). The worst-graded problem set will not count towards the grade.

Policy on late submission of exercises
Exercises that are up to 24 hours late will be downgraded one full grade (from B+ to C+, for example). After that, I will accept late submissions only until the end of the week in which they were due (Sun, 23:59), but these cannot receive a grade of higher than C. Thereafter, the student will receive a failing grade for the assignment.

Grade Breakdown
Seminar preparation and participation 20%
Mid-term exam 20%
Problem sets 20%
Final examination 40%

Schedule
Classes start on Monday Jan 26 and run until Friday May 08, with spring break planned for Mar 16–20, 2014. Completion week will take place May 13–20.

The schedule provided is provisional in order to allow for flexibility. It is the students’ responsibility to keep themselves informed of any changes to the schedule provided here. An up-to-date schedule will be maintained by the seminar leader in our Google classroom system. Problem sets will be distributed and returned via Google classroom, as will lecture slides. Please sign in for the course, using the following code: “y2hf1hq” (Classroom.google.com)

Scheduled class times are available online under the relevant course heading: http://www.berlin.bard.edu/academics/courses-new/spring-2015/

Please ensure that your course schedule takes account of federal holidays. Classes missed due to federal holidays will not be rescheduled.

Week 1 – Introduction/How macroeconomists think; Revision: GDP (and me)
Jan 26, Jan 28
Reading: Blanchard/Johnson, ch. 1, Wray ch. 1.1-1.3, Graeber (2011), ch. 2

Part I – Money and Credit

Week 2 – Macroeconomic Accounting
Feb 02, Feb 04
Reading: Wray ch. 1.4-1.6

Week 3 – Government spending and taxation
Feb 09, Feb 11
Reading: Wray ch. 2,

Week 4 – The Banking System
Feb 16, Feb 18
Reading: Wray ch. 3

Week 5 – Fiscal spending
Feb 23, Feb 25
Reading: Wray ch. 4, Lerner (1943)
Part II – Macroeconomics

Week 6 – Macroeconomics: the theoretical minimum
Mar 02, Mar 04
Reading: Ehnts (2014), Godley (1992)

Week 7 – The IS/LM model: goods market
Mar 09 (Mid-term), Mar 11
Reading: Blanchard/Johnson, ch. 5.1

Week 8 – The IS/LM model: money market
Mar 23, Mar 25
Reading: Blanchard/Johnson, ch. 5.2

Week 9 – The IS/LM model: total equilibrium
Mar 30, Apr 01
Reading: Blanchard/Johnson, ch. 5.3, Hicks (1980)

Week 10 – Macroeconomic Analysis
Apr 06, Apr 08
Reading: Godley (1999), Lopez/Assous (2010), Minsky (1992)

Week 11 – The labour market
Apr 13, Apr 15
Reading: Blanchard/Johnson, ch. 6

Week 12 – International trade
Apr 20, Apr 22
Reading: Blanchard/Johnson, chs. 18, 21

Week 13 – Economic Growth
Apr 27, Apr 29
Reading: Blanchard/Johnson, ch. 10

Week 14 – A short history of macroeconomic thought; Review and Preview Global Macro
May 04, May 06
Reading: none

Week 15/16 – Completion Week (FINAL EXAM on May 18, 10:45-12:15 my office)

Problem sets deadline
Problem sets are due before class one week after being given.

(version: 2015/01/18)