

## ECO 3351

### Intermediate Macroeconomics

Tuesday and Thursday 10:00 AM-11:15 AM, Spring 2016

Bibb Graves Hall, Room 219, Troy Campus

Professor: Dr. G.P.Manish Office: Bibb Graves Hall Room 137R

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#### Prerequisites

Principles of Microeconomics (EC 2252) and Principles of Macroeconomics (EC 2251)

#### Description

This course aims to provide an introduction to the various schools of macroeconomic thought. What these various schools of thought view as the causes of the current economic crisis and the steps that they believe are required to get the economy out of it will also be covered.

#### Office Hours

Tuesday and Thursday: 9:00 – 10:00 am; 2:15 – 4:15 pm

If the times above don't work we can schedule an appointment.

#### Grading

Component	Weight
Mid-term Exam	30%
Final Exam	35%
Research Paper	25%
Participation	10%

No early, make-up, or alternate exams will be provided.

#### Grading Scale

A 89.5-100

B 79.5-89.49

C 69.5-79.49

D 59.5-69.49

F Less than or equal to 59.49

#### ABSENCE AND INCOMPLETE GRADE POLICY

Attendance is optional. *I do not take attendance; however, in order to participate you must (obviously!) be present and on time.*

## ECO 3351 – Manish

If circumstances will prevent the student from completing the course by the end of the term, the student should complete a request for an incomplete grade.

### *Requesting an Incomplete Grade*

A grade of incomplete or “INC” is not automatically assigned to students, but rather must be requested by the student by submitting a *Petition for and Work to Remove an Incomplete Grade* Form. Requests for an incomplete grade must be made on or before the date of the final assignment or test of the term. The form will not be available after the last day of the term. A grade of “INC” does not replace an “F” and will not be awarded for excessive absences. An “INC” will only be awarded to student presenting a valid case for the inability to complete coursework by the conclusion of the term.

It is ultimately the instructor’s decision to grant or deny a request for an incomplete grade, subject to the policy rules below.

### *Policy/Rules for granting an Incomplete (INC)*

- An incomplete cannot be issued without a request from the student.
- To qualify for an incomplete, the student *must*:
  - Have completed over 50% of the course material and have a documented reason for requesting the incomplete. (50% means all assignments/exams up to and including the mid-term point, test, and/or assignments.)
  - Be passing the course at the time of their request.

*If both of the above criteria are not met an incomplete cannot be granted.*

An INC is not a substitute for an F. If a student has earned an “F” by not submitting all the work or by receiving an overall F average, then the F stands.

## **Procedure**

This is a lecture based course. However, discussion is welcome and encouraged. From time to time, audio/video resources will be employed as well.

## **Academic Integrity**

Troy University has a rigorous Standards of Conduct and Honor Code, which requires all members of the Troy University community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited. All violations of the Standards of Conduct and Honors Code will result in me taking the appropriate punishment procedures. See <http://troy.troy.edu/judicialaffairs/standardsofconduct.pdf> for more information.

***If you are caught cheating or plagiarizing on any assignment, you will be given an F for it. (If more than 25% of your submitted assignment is copied and pasted from the internet that will constitute plagiarism.)***

## **Troy University Email Accounts**

All students were required to obtain and use the TROY e-mail address that is automatically assigned to them as TROY students. All official correspondence (including bills, statements, e-mails from instructors and grades, etc.) will be sent ONLY to the troy.edu (@troy.edu) address. All students are responsible for ensuring that the correct e-mail address is listed in Blackboard by the beginning of Week #1. E-mail is the only way the instructor can, at least initially, communicate with you. It is your responsibility to make sure a valid e-mail address is provided. Failure on your part to do so can result in your missing important information that could affect your grade. Your troy.edu e-mail address is the same as your Web Express

user ID following by @troy.edu. Students are responsible for the information that is sent to their TROY e-mail account. You can get to your e-mail account by logging onto the course and clicking “E-mail Login”.

You are able to forward your TROY e-mail to another e-mail account. You must first access your TROY e-mail account through the TROY e-mail link found on the Web site. After you log in to your TROY e-mail account, click on “options” on the left hand side of the page. Then click on “forwarding.” This will enable you to set up the e-mail address to which you will forward your e-mail.

### **Campus Disability Services**

It is the policy of Troy University to provide accessible programs, services, activities, reasonable accommodations, and a harassment-free environment, for any student or employee with a documented disability as defined by Section 504 of the Rehabilitation Act of 1973, as amended, and by the Americans with Disabilities Act of 1990. To provide the best possible services to students, employees, and visitors, Troy University has designated the Disability Services Coordinator and the Director of Human Resources on each campus the responsible parties for coordinating accommodations for persons with disabilities. For more information about physical access to buildings or grounds, academic or workplace accommodations, or other ADA related services individuals should contact the Disability Services Coordinator or Director of Human Resources on the specific campus. For information regarding services at Troy main campus, contact the Director of Adaptive Needs at (334) 670-3220; for services at Troy University/Montgomery, contact the Disability Services Coordinator at (334) 241-9587; and for services at the Troy University/Dothan campus, contact the Director of Counseling and Career Services at (334) 983-6556.

Policies and procedures for students with disabilities can be found here:

[http://www.troy.edu/student-services/oracle/2010-2011\\_Oracle.pdf](http://www.troy.edu/student-services/oracle/2010-2011_Oracle.pdf)

### **Enrollment**

Students are responsible for verifying their enrollment in this class.

Schedule adjustments should be made by the deadlines published in the Schedule of Classes (Deadlines each semester are published in the Schedule of Classes available from the Registrar's Website [www.registrar.gmu.edu](http://www.registrar.gmu.edu))

### **Other Useful Campus Resources**

*Academic Catalog*

[http://www.troy.edu/catalogs/1112undergrad\\_pdf/index.html](http://www.troy.edu/catalogs/1112undergrad_pdf/index.html)

*Academic Regulations*

[http://www.troy.edu/catalogs/1011undergrad/5U\\_acad\\_regs.html#GradingSystem](http://www.troy.edu/catalogs/1011undergrad/5U_acad_regs.html#GradingSystem)

*Office of Student Development*

<http://troy.troy.edu/studentdevelopment/index.html>

*Personal Counseling Services*

<http://troy.troy.edu/save/counseling.html>

*Troy University Libraries*

<http://library.troy.edu/>

### **Research Paper**

An original research paper demonstrating your command of the economic way of thinking and your ability to apply it in an original and insightful way is a major component of this course. The topic can be on any theme related to the course material that you wish to examine. **You must submit**

**your paper topics to me by the end of day on March 15<sup>th</sup>, 2015. The paper itself is due by the end of day on April 30<sup>th</sup>, 2015. A sample format for the paper and further instructions will be made available on Blackboard.**

Also, do note that the Sorrell College of Business is organizing the Sorrell College of Business Student Research Showcase. For more details on this event take a look at the website - <http://business.troy.edu/Portal/student-research-showcase.aspx>. If you have completed your paper by the submission deadline I encourage you to submit it. **You will receive extra credit for submitting your paper to the showcase.**

## **Participation**

Given that all of you have already been introduced to the subject of economics, I expect you to participate in class and for class sessions to be discussion based. Comments and perspectives on the material being covered as well as questions and difficulties are all more than welcome. **Merely showing up to class will not be sufficient to obtain the full portion of the total grade allotted to participation. Active participation will be necessary to ensure this.**

## **Textbooks**

### *Required*

*Macroeconomics* by Gregory Mankiw, 9<sup>th</sup> edition, ISBN-13: 978-1464182891.

*Modern Macroeconomics: Its Origins, Development and Current State* by Brian Snowden and Howard Vane, ISBN-13: 978-1845422080.

## **Course Outline**

**(This outline is tentative and subject to change)**

### **I. Introduction: The Science of Macroeconomics**

#### *Readings:*

Mankiw, Chapter 1.

Snowden and Vane, Chapter 1.

### **II. The Data of Macroeconomics**

#### *Readings:*

Mankiw, Chapter 2.

### **III. The “Classical” Macroeconomic Model**

#### **i. Employment and Output Determination**

##### *Readings:*

Mankiw, Chapter 3, p. 47-65.

Snowden and Vane, Chapter 2, p. 36-45.

ii. Say's Law and the Loanable Funds Market

*Readings:*

Mankiw, Chapter 3, p. 65-76.

Snowdon and Vane, Chapter 2, p. 45-50.

iii. Money and Inflation: The Quantity Theory of Money

*Readings:*

Mankiw, Chapter 4; Chapter 5, p. 105-112, 114-120, 131.

Snowdon and Vane, Chapter 2, p. 50-54.

#### **IV. The Keynesian Macroeconomic Model**

i. Unemployment, the Labor Market and the Data of Business Cycles

*Readings:*

Mankiw, Chapter 7, p. 183-202; Chapter 10, p. 281-289.

ii. Aggregate Demand and Aggregate Supply

*Readings:*

Mankiw, Chapter 10, p. 293-307.

iii. The Keynesian Cross and the IS-LM Framework

*Readings:*

Mankiw, Chapter 11.

Snowdon and Vane, Chapter 2, p. 54-70.

iv. The Orthodox Keynesian School

*Readings:*

Mankiw, Chapter 12.

Snowdon and Vane, Chapter 3, p. 101-123, 144-147.

v. The Phillips Curve and the Inflation-Unemployment Tradeoff

*Readings:*

Snowdon and Vane, Chapter 3, p. 135-144.

#### **V. The Monetarist and Rational Expectations Counter Revolution**

i. The Expectations Augmented Phillips Curve

*Readings:*

Mankiw, Chapter 14, p. 409-414, 418-424

Snowdon and Vane, Ch. 4, p. 174-180.

ii. The Temporary Nature of the Inflation Unemployment Trade-off

*Readings:*

Mankiw, Chapter 14, p. 416-417.  
Snowden and Vane, Chapter 4, p. 180-187.

iii. Rational Expectations

*Readings:*  
Snowdon and Vane, Ch. 5, p. 225-230.

iv. The Policy Implications of Rational Expectations

*Readings:*  
Snowdon and Vane, Ch. 5, p. 242-247.

## VI. Classical Macroeconomics

i. Say's Law and The Classical Theory of the Business Cycle

*Readings:*  
Kates, Steven. "Why Your Grandfather's Economics Was Better Than Yours: On the Catastrophic Disappearance of Say's Law, *The Quarterly Journal of Austrian Economics*, 13(4), p. 3-28.  
Available online: <https://mises.org/library/why-your-grandfathers-economics-was-better-yours-catastrophic-disappearance-says-law>

Mill, James. *Commerce Defended*, Chapter VI (On Consumption).  
Available online: <http://oll.libertyfund.org/titles/1668>

Say, J.B. *A Treatise on Political Economy*, Book I, Chapter XV (Of the Demand or Market For Products).  
Available online: <http://www.econlib.org/library/Say/sayT15.html#Bk.I,Ch.XV>

## VII. Capital Based Macroeconomics: The Austrian School

i. The Hayekian Triangle: The Austrian Circular Flow

*Readings:*  
Snowdon and Vane, Ch. 9, p. 474-479, 484-486.

ii. The Austrian Theory of Economic Growth

*Readings:*  
Snowdon and Vane, Ch. 9, p. 486-500.

iii. The Austrian Theory of the Business Cycle

*Readings:*  
Snowdon and Vane, Ch. 9, p. 503-509.  
Rothbard, *Economic Depressions: Their Causes and Cure*.  
Available online: <https://mises.org/library/economic-depressions-their-cause-and-cure-4>

iv. The Austrian Criticism of Keynes

*Readings:*

Snowdon and Vane, Ch. 9, p. 501-503, 509-513.

## **VIII. Economic Growth**

### i. Introduction to Economic Growth

*Readings:*

Snowdon and Vane, Ch. 11, p. 579-598.

### ii. The Solow Model

*Readings:*

Mankiw, Chapter 8, p. 211-223, 231-237; Chapter 9, p. 242-245.

### iii. From Growth Theory to Growth Empirics

*Readings:*

Mankiw, Chapter 9, p. 245-260.