Cornell University, Spring 2012

Economics 3020: Macroeconomics

TEACHING TEAM:

Karl Shell
Thorne Professor of Economics
402 Uris Hall (Rusty)
Proposed office hours:
F 3:00p to 5:00p

Yu Zhang
Teaching Assistant
459 Uris Hall (same Rusty)
yz235@cornell.edu
Tentative office hours:
Mon 8-10am, Thurs 3-4pm

LECTURE:

MWF 10:10a to 11:00a, 119 Baker

PREREQUISITE:

Comfortable with calculus

TEXTBOOK:

Abel, Bernanke, & Crushore, Macroeconomics, 7th Edition, with MyEconLab

COURSE DESCRIPTION:

- Introduction to macroeconomics and monetary economics: national income, employment, inflation, economic growth, money, banking, financial fragility.

- 4 credits. May be used to replace BOTH Econ 1120 AND Econ 3140 (but replaces 3140 only with a grade of B or better). If one takes 1120 and 3140, one cannot receive credit for 3020.

- Intended for students with strong analytic skills who have NOT taken 1110 and 1120. Covers topics covered in 1120 AND 3140.

QUIZZES:

- Two 50-minute in-class prelims (March 2 and April 2)
- One 2-hour final exam

DISCUSSION SECTIONS IN 112 ROCKEFELLER HALL:

- F 12:20p to 1:10p
- F 1:25p to 2:15p
- F 2:30p to 3:20p
EVALUATION
The grade in this course will be based on homework problems (10%), 2 prelim exams (25% each), and the final exam (40%). Generally, homework will be assigned by the end of each week, except first week the first and the exam week.

TENTATIVE COURSE OUTLINE
Two lectures are allocated for midterms and three for reviewing material; the remaining 37 will be devoted to lectures on “new” material. Below is a tentative list of topics that we will cover and the corresponding readings in the Abel, Bernanke and Croushore text.

Lectures 1 – 3
Introduction, Basic Economic Variables, National Income Accounting
Chapters 1 & 2

Lectures 4 – 6
Building Blocks for Macroeconomic Analysis Production Function, Labor Markets, Consumption, Savings and Investment
Chapters 3 & 4

Lectures 7 – 14
Long Run Economic Performance: Solow Growth Model
Chapter 6

Lectures 15 - 16
Review & 1st Prelim Exam (March 2, Friday)

Lectures 17 – 18
Money & Prices
Chapter 7

Lectures 19 – 21
General Equilibrium Models
Chapter 9

Lectures 22 – 29
Business Cycles: Classical Approach, Nominal Rigidity, Non-Neutrality of Money, and IS-LM model
Chapters 8, 10, & 11

Lectures 30 - 31
Review & 2nd Prelim Exam (April 2, Monday)

Lectures 32 – 37
International Macroeconomics: Savings and Investment in the Open Economy, Exchange Rates, and the IS-LM in the Open Economy Setting
Chapters 5 & 13

Lectures 38 – 39
Monetary, Fiscal, and Other Stabilization Policies
Chapters 14 & 15

Lectures 40-41
Recent Economic Events, including Financial Crises

Lecture 42