

ECON 303: Intermediate Macroeconomics
Department of Economics, LAS, UIUC

Rui Zhao
134 Temple Buell Hall

Spring 2018
TuTh 11-12:20pm

Communication

Office: 18A DKH
Office Phone: 244-7594
E-mail: ruizhao@illinois.edu
Office Hours: Wednesdays 1:30-3:30pm or by appointment.

Teaching Assistants

Asad Khan, arkhan4@illinois.edu
Yang Yue, yangyue3@illinois.edu

*Your teaching assistants will also hold office hours, which will be posted on the Compass. You are free to seek any TA for help, not just your own. If you need general assistance, **please email your TA first**. If your TA cannot solve the problem, he or she will forward your email to me. If your issue is of a private nature that cannot be discussed with a TA, then email me directly.*

Course Description

Macroeconomics studies aggregate economic variables, such as output, consumption, investment, savings, employment, wages, interest rate, and inflation. This class provides a consistent and new classical framework to analyze macroeconomic facts and to evaluate macroeconomic policies.

Modern economics is both qualitative and quantitative; economies are succinctly represented by mathematical models and verbal statements are supported by statistical analyses and numerical simulations. This class also shows you a glimpse of how economists quantify their analysis.

Prerequisites

Econ102 and Econ103, Econ302 (recommended), and Math220, Math221, or Math234.
You must have a solid understanding of basic differential calculus to take this course.

Course Objectives

- Learn the smart way; get the most out of 80 minutes lecture time.
- Learn to love numbers and formula; all numbers and formulas tell a story.
- Learn from each other; find a study buddy.
- Learn to connect words with equations, equations with graphs, and graphs with words.

Learning Resources

Recommended textbook: Stephen Williamson Macroeconomics, 6th edition. A copy of the textbook (5th edition) is on reserve at the undergraduate library. Textbook in the E-book format is available from the bookstore. For the chapters we cover, the difference between 6th and 5th edition is negligible. Even the 4th edition used book is good enough.

A course package is available at the bookstore, which contains all in-class exercises and answers, homework, sample exams, and other miscellaneous items.

Any class related materials, including most of items in the course package, are distributed through Compass.

Slides: slides are available after 5pm the day before the lecture.

In-class exercises: if you do not have the course package, work sheets are posted on Compass at the beginning of each section of materials. Answers will be posted before each midterm exam. Bring a calculator and writing utensils with you to the classroom.

Extra readings: Oftentimes articles from various sources (mainly from the Economist) are posted, that are related to class materials. These readings are optional.

Homework: homework is posted a week before the due date.

Important Dates

Exam 1: Tuesday, February 13th

Deadline to Drop without a grade of W: Friday, March 9th

Exam 2: Thursday, March 15th

Spring break: March 17th – 25th

Exam 3: Thursday, April 19th

Final Exam: Tuesday, May 8th, 8-10:30am

Student Assessment

This class uses plus/minors grading system. Letter grades will be assigned only at the end of semester based on the overall score and class average. Below is the grading curve provided by the Department of Economics. This is a guideline.

Plus/Minus Grade Cutoffs:

A+ ≥ 97	B+ ≥ 87	C+ ≥ 77	D+ ≥ 67	60 > F
97 > A ≥ 94	87 > B ≥ 84	77 > C ≥ 74	67 > D ≥ 64	
94 > A- ≥ 90	84 > B- ≥ 80	74 > C- ≥ 70	64 > D- ≥ 60	

Your grades are based on online multiple-choice quizzes (10%), homework must be solved with pencil and paper (10%), three midterms (20% each), and a final exam (20%).

Online quizzes: one quiz (10 multiple choices) every week is posted on Compass. All quizzes are due on Mondays at 11:30pm. Quizzes must be submitted by the due date and time to be graded. There is no extension (not possible technically). You are allowed unlimited attempts at each quiz before the due date and time; only the attempt with the highest score will be counted. You can drop **two** sets of quizzes with the lowest grade.

Pencil and paper homework: Homework is distributed regularly through Compass. You should do all of it, but only 3 sets are collected from each of you and graded. Use the table below to figure out which sets you should turn in. *If you turned in the wrong set of homework, it will not count.*

Last name starts with	Problem sets must turn in
A – I	1, 6, and 8
J – P	2, 4, and 9
Q – Z	3, 5, and 7

Homework is available a week before its due date. Homework must be done using pencil/pen and paper with sufficient amount of details. You must turn homework in class on the due date. *This is the only place*

homework is accepted. No homework will be accepted after lecture ends and I step out of the classroom on that day. For **any reason** that you missed one set of your homework and would like to make it up, please turn in homework 11 on Tuesday, May 1st in class. The class on that day ends early. Please plan accordingly. Homework 11 is for missed homework only. No other consideration will be given.

Midterms: All midterms are in class and non-accumulative. Midterms are mostly calculation based. Questions are similar to in-class exercises and homework. All midterms count. *You can't shift any weight on your midterms to the final exam.* Midterms are scheduled on February 13th, March 15th, and April 19th. Please let me know as soon as possible, if you have known conflicts with these dates. Should an unforeseeable event arise, you must contact me **before or within 24 hours of the exam**; otherwise you will automatically receive a zero grade.

To qualify for a make-up exam, you must provide proof to show that you physically can't be present to take the exam on the scheduled exam dates. In the case that you are ill, an absence letter from the Student Assistance Center in the Office of the Dean of Students (3rd floor of the Turner Student Services Center. Phone 333-0050) also has to be provided to me eventually.

Final exam: The final exam is comprehensive. The final exam has only multiple-choice questions, similar to those in online quizzes. The final exam is scheduled on Tuesday May 8th, 8-10:30am according to the official guideline. (<http://www.fms.uiuc.edu/finalexams/>) Also see the last page about final exam policies established by the university.

On the day of the exams, you must bring your student ID. Other than calculators (scientific, graphing, accounting, or four-function) and writing utensils, no other items are allowed to be with you during exams. Scratch paper will be provided to you, if needed. All electronic devices must be turned off, put in your backpack, and stacked away from you. Students found to be using unapproved items are in violation of the Academic Integrity Policy of the University and will be subject to disciplinary action.

In order to correctly fill in identification information on the exam sheets, you must know your UIN and your TA discussion section number. If your exam misses any of the required identification information, two points will be deducted from your score.

Re-grading: All re-grading requests must be made no later than *two weeks* after homework or exams are returned to you.

Each TA is responsible for grading exams of those students registered for his or her session and for keeping records of those grades. Your homework on the other hand is graded by a separate grader. Your exams are returned to you on your discussion session while your homework is returned to you in class. All questions regarding your grade on exam must be directed to your TA first. After that, any disputes or appeals may be brought to me. Also I handle all regrading requests on homework.

Students with disabilities: Students who require non-standard examination conditions please let me know as soon as possible. You should arrange with the Testing Accommodations Center (TAC) through Disability Resources and Educational Services (DRES) to take all exams. To contact TAC you may visit 1207 S. Oak Street, Room 136, Champaign, call 333-4604, or email dres-testing@illinois.edu. Please aware that TAC has recently changed their exam scheduling policy. Go to the following website for details. <https://www.disability.illinois.edu/academic-support/accommodations/testing-accommodations> .

Honor code: All types of cheating are strictly prohibited. Academic misconduct will be handled according to the University Academic Integrity Policy. For more details, see the last page.

Extra credit: Information about extra credit is posted on compass. The extra credit is designed to encourage regular and punctual class attendance. The extra credit is capped by 3 points, i.e. a maximum of three points will be added to your overall grade based on your participation in extra credit activities.

Outline of the Course

Section I: Growth theory, Chapter 1, 2, 7, 8

- Logistics and review of calculus (1/16)
- Measuring aggregate economic activity (1/18,1/23)
- Production function (1/25)
- Malthusian model (1/30)
- Solow growth model (2/1,2/6,2/8)
- Midterm 1 (2/13)

Section II: Labor market, Chapter 4, 5

- Firm's problem (2/15)
- Utility function and household's time allocation problem (2/20,2/22)
- US labor market (2/27)
- Labor income tax (3/1)
- One-period macroeconomic model (3/6)
- Fiscal policy (3/8,3/13)
- Midterm 2 (3/15)

Section III: Capital market, Chapter 9, 10, 11

- Household's intertemporal choice (3/27,3/29,4/3)
- Capital income tax (4/5)
- Policies to encourage US household saving (4/10)
- Tax cut and Ricardian equivalence (4/12)
- Social security (4/17)
- Midterm 3 (4/19)

Section IV: Coda, Chapter 3, 11, 12

- Business cycle measurement and RBC model (4/24)
- Monetary policy at a glance (4/26)
- Review, evaluation, and survey (5/1)
- Final exam (5/8)

Final Exam Policy is available at: http://studentcode.illinois.edu/article3_part2_3-201.html

From the University's final exam conflict policy:

Any student having more than two consecutive final examinations is entitled to rescheduling as follows if he or she takes the following action no later than the last day of classes:

- The student must investigate whether a conflict examination is being held at another time for any of the examinations involved.
- If a conflict examination has been scheduled for any of the courses, the student must take one or more of these conflict examinations. If conflict examinations are offered for more than one course, the student must take the conflict for the course that has the largest number of students.
- If no conflict examinations have been scheduled, the student must contact the instructor of the course having the largest number of students. The contact must be made no later than the last day of classes, and that instructor must provide a makeup examination.
- Normally in a semester several combined-sections, conflict, and noncombined examinations are given at the same time. As a guide to resolving conflicts, an order of priority has been established within each examination period, and a student should resolve a conflict using the published examination schedules and the following priority guidelines.
 - National and state professional examinations (e.g., CPA, actuarial science, Architecture Registration Examination) take priority over campus final examinations. An instructor must offer a conflict examination to a student scheduled to take a national or state professional examination and a campus final examination at the same time.
 - A noncombined course examination has precedence over any combined-sections or conflict examination.
 - A department offering a combined-sections final examination must provide a conflict examination if required to accommodate student conflicts.

Academic Integrity Policy is available at http://studentcode.illinois.edu/article1_part4_1-401.html.

“The University has the responsibility for maintaining academic integrity so as to protect the quality of education and research on our campus and to protect those who depend upon our integrity.

Expectations of Students. It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions. Students have been given notice of this Part by virtue of its publication. Regardless of whether a student has actually read this Part, a student is charged with knowledge of it. Ignorance is not a defense.”

Emergency Response Recommendations

The university maintains guidelines for emergency responses. A list of recommendations when to evacuate and when to find shelter are available at:

http://illinois.edu/cms/2251/general_emergency_response_recommendations_8_16_13_final.docx

Floor plans for specific buildings are available at:

<http://police.illinois.edu/emergencyplanning/floorplans/>