

# ECON 352: Intermediate Macroeconomics

**Fall 2021**

**Purdue University  
Krannert School of Management  
Department of Economics**

Professor Cathy Zhang  
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Office Hours: Thursday, noon -1:00 p.m.

Class Meetings: Tuesday, Thursday  
1:30 – 2:45 p.m. (Section 002), RAWLS 2070 [CRN 38639]  
3:00 – 4:15 p.m. (Section 001), RAWLS 2070 [CRN 15777]

Course Website: Brightspace

Teaching Assistants:

Cicy Jin, jin334@purdue.edu  
Office Hours: Wednesday, 9:30 – 11:30 a.m.; KRAN 322  
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Office Hours: Friday, 9:00 – 11:00 a.m., KRAN B024 H-1

## **Course Objectives**

The purpose of this course is to develop simple economic frameworks to understand the determination of macroeconomic variables, such as national output, inflation, economic growth, and unemployment. This course is designed to (i) provide the tools necessary for analyzing macroeconomic problems in the real world and in other related economics courses and (ii) help develop the analytical skills to understand and apply different economic concepts.

## **Course Description**

This course examines the determination of income, employment, the price level, interest rates, and exchange rates in the macroeconomy. Piece by piece, we will construct simple models that describe how these variables are determined in the long run and short run. The course is roughly divided into two units. We will start with the economy in the long run, where prices are flexible and markets clear, and study the division of GDP among income categories, long-run inflation and

unemployment. We will also study economic growth, and try to answer why some countries are so much richer or poorer than others. We then move to the short run economy, where prices do not always adjust and markets may not always clear, and study economic fluctuations in the closed and open economy. Special attention is paid to current developments in these issues. We will spend several classes discussing how core models from the course can be used to understand what is happening today in the macroeconomy, as well as important historical events.

### **Learning Outcomes**

1. Students will be able to identify the determinants of various macroeconomic aggregates such as output, unemployment, inflation, productivity, and how these aggregate variables interact with one another over the business cycle.
2. Students will be able to describe the main macroeconomic theories of short term fluctuations and long term growth in the economy.
3. Students will be able to apply the main macroeconomic theories in analysis of the determinants of business cycles and the implications for government intervention.
4. Students will be able to critically evaluate the consequences of basic macroeconomic policy options under differing economic conditions within a business cycle.

### **Course Materials**

The required textbook for the class is

Mankiw, N. Gregory, Macroeconomics, 10<sup>th</sup> edition, Worth Publishers.

The course textbook is available for purchase at the campus bookstore and online (used versions are available on Amazon). It is fine to use older editions (i.e. 9<sup>th</sup> or 8<sup>th</sup> only; earlier versions than that are not recommended), though keep in mind that *you are responsible for keeping up with the material in the 10<sup>th</sup> editions*. Both hard copy and electronic versions of the textbook are equally acceptable.

The professor will also provide lecture slides before each class on Brightspace. **Note you do not have permission to distribute these notes outside of class and especially do not have permission to post them online.**

### **Lectures and Attendance**

Lectures are in person and meet each Tuesday and Thursday. Students are expected to participate in class and attend the lecture they are registered for. To help facilitate university tracking, it is important you only attend the section you are assigned to. Attendance is not taken for a grade.

Students should stay home and contact the Protect Purdue Health Center (496-INFO) if they feel ill, have any symptoms associated with COVID-19, or suspect they have been exposed to the virus. In-person attendance will not be a factor in the final grades, but the student still needs to inform the instructor of any conflict that can be anticipated and will affect the submission of an assignment or the

ability to take an exam. Only the instructor can excuse a student from a course requirement or responsibility. When conflicts can be anticipated (e.g. Purdue-sponsored activities, religious observations), the student should inform the instructor of the situation as far in advance as possible. For unanticipated or emergency conflict, when advance notification to an instructor is not possible, the student should contact the instructor as soon as possible by email or Brightspace. When the student is unable to make direct contact with the instructor and is unable to leave word with the instructor's department because of circumstances beyond the student's control, and in cases of bereavement, quarantine, or isolation, the student or the student's representative should contact the Office of the Dean of Students. Brightspace includes a link on Attendance and Grief Absence policies under the University Policies.

## **Assignments**

There are 4 assignments to be completed throughout the semester plus a comprehension questionnaire of the syllabus to be submitted on Brightspace at the end of the first week of class.

Assignments consist of practice problems emphasizing key concepts and takeaways from lecture and the textbook. Questions will be a combination of free response and/or multiple choice questions.

- Assignments are posted on Brightspace, typically a week before the due date. Assignments can be turned in one of two ways: (i) in class on the due date to be collected at the beginning of class or (ii) online on Brightspace on the due date before class starts.
- The following are the due dates of the assignments: 8/31 (Syllabus Comprehension), 9/16, 10/14, 11/18, 12/9.
- The posted assignment will specify how points are allocated across questions.
- Assignments submitted after the due date but within 24 hours receive half credit. Those submitted 24 hours or later will not receive any credit.
- Assignments are graded according to completeness and correctness. The score from the lowest assignment grade is dropped so that only the best three assignment scores count for the final grade.

## **Exams**

There are two midterm exams and one final exam consisting of multiple choice and free response portions. The final exam is cumulative.

- The dates of the midterm exams are 9/30 and 10/27 from 8:00 – 9:30 p.m. (please check the evening exam calendar for the location and room number).
- Students are responsible for all material in the corresponding lectures, assignments, and readings for exams. All exams are closed book and closed note. Collaboration with other students are not permitted.
- Make-up quizzes are not offered without an officially excused absence from the university (see the university bereavement policy).

## **Online Discussion Forum**

There are 3 online discussion forums to participate in throughout the course. While we will also have in-class discussions, the online discussion forums will allow students an additional avenue to participate and engage with course material and with one another.

- There will be a topic posted on Brightspace pertaining to lecture material at the start of each week of the discussion forums. Students will have all week to post their responses on the topic. Details will be given in class.
- The discussion forums will close on the following dates at 5:00 p.m. EST: 9/9, 10/7, and 11/4.
- Evaluation on the discussion forums will be clarified in class. Students who make two high-quality posts for each discussion forum topic can expect to receive full credit for this component. Highly quality posts could be, but are not limited to, questions on course material, additional thoughts on topics from the class, interesting news articles related to the course, and responses to other posts.

## **Final Reflection Paper**

Instructions and details of this paper will be made in class.

## **Grades**

Grades will reflect the following composition:

Total: 100% = Assignments (25%) + Quizzes (45%) + Discussion Forum (15%)  
+ Final Reflection Paper (15%)

Final grade percentages are converted to letter grades as follows:

|             |    |              |    |
|-------------|----|--------------|----|
| 97.0 - 100  | A+ | 75.0 - 78.9  | B- |
| 92.0 - 96.9 | A  | 70.0 - 74.9  | C+ |
| 88.0 - 91.9 | A- | 60.0 - 69.9  | C  |
| 84.0 - 87.9 | B+ | 50.0 - 59.9  | D  |
| 79.0 - 83.9 | B  | 49.9 or less | F  |

## **Summary of Course Requirements**

|   |   |   |
|---|---|---|
| <b>Assignments [25%]</b> <ul style="list-style-type: none"><li>- Syllabus Comprehension</li><li>- Assignment 1</li><li>- Assignment 2</li><li>- Assignment 3</li><li>- Assignment 4</li></ul> | <b>250 Points</b><br>10<br>80<br>80<br>80<br>80 | <b>Date Due</b><br>8/31<br>9/16<br>10/14<br>11/18<br>12/9 |
| <b>Exams [45%]</b> <ul style="list-style-type: none"><li>- Midterm Exam 1</li><li>- Midterm Exam 2</li><li>- Final Exam</li></ul>   | <b>450 Points</b><br>100<br>100<br>250          | <b>Date</b><br>9/30<br>10/27<br>TBA                       |
| <b>Discussion Forum [15%]</b> <ul style="list-style-type: none"><li>- Discussion Forum 1</li><li>- Discussion Forum 2</li><li>- Discussion Forum 3</li></ul>                                  | <b>150 Points</b><br>50<br>50<br>50             | <b>Date Due</b><br>9/9<br>10/7<br>11/4                    |
| <b>Final Reflection Paper [15%]</b>   | <b>150 Points</b>                               | <b>Date Due</b><br>12/10                                  |

## **Classroom Guidance**

The Protect Purdue Plan is campus policy and as such all members of the Purdue community must comply with the required health and safety guidelines. Required behaviors in this class include: staying home and contacting the Protect Purdue Health Center (496-INFO) if you feel ill or know you have been exposed to the virus, wearing a mask in classrooms and campus building, at all times (e.g., no eating/drinking in the classroom), disinfecting desk/workspace prior to and after use, maintaining proper social distancing with peers and instructors (including when entering/exiting classrooms), refraining from moving furniture, avoiding shared use of personal items, maintaining robust hygiene (e.g., handwashing, disposal of tissues) prior to, during and after class, and following all safety directions from the instructor.

Students who are not engaging in these behaviors (e.g., wearing a mask) will be offered the opportunity to comply. If non-compliance continues, possible results include instructors asking the student to leave class and instructors dismissing the whole class. Students who do not comply with the required health behaviors are violating the University Code of Conduct and will be reported to the Dean of Students Office with sanctions ranging from educational requirements to dismissal from the university.

Any student who has substantial reason to believe that another person in a campus room (e.g., classroom) is threatening the safety of others by not complying (e.g., not wearing a mask) may leave the room without consequence. Students are encouraged to report the behavior to and discuss next steps with their instructor. Students also have the option of reporting the behavior to the Office of the Student Rights and Responsibilities. See also Purdue University Bill of Student Rights.

## **Academic Guidance In Event of Quarantine**

If you become quarantined or isolated at any point in time during the semester, in addition to support from the Protect Purdue Health Center, you will also have access to an Academic Case Manager who can provide you academic support during this time. Your Academic Case Manager can be reached at [acmq@purdue.edu](mailto:acmq@purdue.edu) and will provide you with general guidelines/resources around communicating with your instructors, be available for academic support, and offer suggestions for how to be successful when learning remotely. Importantly, if you find yourself too sick to progress in the course, notify your academic case manager and notify me via email or Brightspace. We will make arrangements based on your particular situation. The Office of the Dean of Students ([odos@purdue.edu](mailto:odos@purdue.edu)) is also available to support you should this situation occur.

## **Academic Integrity**

Academic integrity is one of the highest values that Purdue University holds. Individuals are encouraged to alert university officials to potential breaches of this value by either emailing [integrity@purdue.edu](mailto:integrity@purdue.edu) or by calling 765-494-8778. While information may be submitted anonymously, the more information is submitted the greater the opportunity for the university to investigate the concern. More details are available on our course Brightspace table of contents, under University Policies.

Incidents of academic misconduct in this course will be addressed by the course instructor and referred to the Office of Student Rights and Responsibilities (OSRR) for review at the university level. Any

violation of course policies as it relates to academic integrity will result minimally in a failing or zero grade for that particular assignment, and at the instructor's discretion may result in a failing grade for the course. In addition, all incidents of academic misconduct will be forwarded to OSRR, where university penalties, including removal from the university, may be considered.

### **Accessibility and Nondiscrimination**

If you anticipate or experience physical or academic barriers based on disability, you are welcome to let me know so that we can discuss options. You are also encouraged to contact the Disability Resource Center at: [drc@purdue.edu](mailto:drc@purdue.edu) or by phone: 765-494-1247. More details are available on our course Brightspace under Accessibility Information.

Purdue is committed to maintaining a community which recognizes and values the inherent worth and dignity of every person; fosters tolerance, sensitivity, understanding, and mutual respect among its members; and encourages each individual to strive to reach his or her own potential. In pursuit of its goal of academic excellence, the University seeks to develop and nurture diversity. The University believes that diversity among its many members strengthens the institution, stimulates creativity, promotes the exchange of ideas, and enriches campus life. More details are available on our course Brightspace table of contents, under University Policies.

### **Grief Absence Policy**

We recognize that a time of bereavement is very difficult for a student. The University therefore provides the following rights to students facing the loss of a family member through the Grief Absence Policy for Students (GAPS). Students will be excused for funeral leave and given the opportunity to earn equivalent credit and to demonstrate evidence of meeting the learning outcomes for missed assignments or assessments in the event of the death of a member of the student's family.

### **Emergency Preparation**

In the event of a major campus emergency, course requirements, deadlines and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances beyond the instructor's control. Relevant changes to this course will be posted onto the course website or can be obtained by contacting the instructors or TAs via email or phone. You are expected to check your @purdue.edu email on a frequent basis.

*If you experience any symptoms of COVID-19 or suspect you may have been exposed to someone with COVID-19 stay home and call the Protect Purdue Health Center at 765-496-INFO.*

## **Topics**

1. The Data of Macroeconomics (Ch. 2)
2. National Income: the Neoclassical Model (Ch. 3)
3. Money (Ch. 4)
4. Monetary Policy and Inflation (Ch. 5)
5. Unemployment (Ch. 7)
6. Economic Growth: the Basic Model of Capital Accumulation (Ch. 8)
7. Economic Growth: Policy and Empirics (Ch. 9)
8. Economic Fluctuations (Ch. 10)
9. Aggregate Demand: the IS-LM Model (Ch. 11)
10. Aggregate Demand: Applications (Ch. 12)
11. The Open Economy: Mundell-Fleming Model (Ch. 13)



