

**Economics 402
Course Outline**

**Prof. Gaetano Antinolfi
Fall 2007**

This is a one-semester course in intermediate macroeconomics. Macroeconomics is the study of economic aggregates, such as employment and inflation, and of the public policies aimed at controlling economic aggregates, namely fiscal and monetary policies.

Prerequisites. Formally, prerequisites are Economics 104B and Math 131. I will assume that you are familiar with elementary differential calculus and algebra. Browsing the textbook is probably the best way to evaluate whether your background is adequate. If you have any further concerns, please feel free to come to talk to me.

Readings. The textbook for this course is *Macroeconomics, Third Edition*, by Stephen D. Williamson, Pearson 2007. I will provide additional readings during the semester. These readings will be taken from magazines and newspapers. Their objective is to bridge the more descriptive and formal perspective of a textbook with applications to real economic cases. Some material will be covered only in class and is not in the text.

Exams and Homework. There will be three exams. The first two exams will be during class time. The dates for the exams are:

First exam: Wednesday, October 3, 2007.

Second exam: Wednesday, November 7, 2007.

Final exam: Tuesday, December 18, 2007, from 6:00 to 8:00 pm.

The location of the final exams will be announced during the semester. There will be a help session before each exam, at a convenient time to be scheduled.

There will be problem sets assigned approximately every week. Problem sets will constitute good samples for the questions that you will be required to answer in the exams.

Grading. Each exam is worth 30% of the final grade. Problem sets constitute 10% of the final grade. I will usually post solutions to the problem sets; therefore I will not be able to accept late homework.

There will not be make-up exams. If for unavoidable reasons you will not be able to be present for an exam, you should notify me as soon as possible, and at least three days before the exam. Because of the size of the class, I will make no exceptions.

Office Hours. My office hours are:

Tuesday: 10:00-11:30 am.

Thursday: 10:00-11:30 am.

If you cannot make it during those times, please let me know, and feel free to schedule an appointment at some other time. My office is in McMillan Hall, room 254. My phone number is 935-7335. A very easy way of getting in touch with me when you have questions and concerns is by e-mail. My address is gaetano@wustl.edu.

There will be a Teaching Assistant for this course. The Teaching Assistant for section one will be **Francesco Carli**. His office is in McMillan hall, room 342, and his email is fcarli@artsci.wustl.edu. **His office hours are on Mondays and Wednesdays from 10 to 11 am.**

There will also be web page for this course. On the web page I will post homework and other useful resources, such as readings, copies of transparencies, and links. The web page can be accessed through the web page address <http://gaetano.wustl.edu> under *Teaching*.

Course Outline. The following is a tentative outline of the course; some changes may be added during the semester. On average, we will cover one chapter every week. I will distribute any additional readings.

- I. Introduction to Macroeconomics: What macroeconomics is and why it is important, Chapter 1.
- II. Measurement of Aggregate Economic Variables: National accounting, Chapter 2.
- III. The Measuring the Business Cycle, Chapter 3.
- IV. Consumer and Firm Behavior in a Static Model, Chapter 4
- V. A Closed-Economy Static Model of the Macroeconomy, Chapter 5
- VI. Economic Growth: Malthus and Solow, Chapter 6.
- VII. Income Disparity among Countries and Endogenous Growth, Chapter 7.
- VIII. A Dynamic Model: Consumption, Savings, and Credit, Chapter 8.
- IX. A Dynamic Model: Investment, Chapter 9.
- X. Money, Prices, and Monetary Policy, Chapter 10.
- XI. Business Cycle Theory, Chapter 11.
- XII. Inflation and Intermediation, Chapter 15.
- XIII. Unemployment, Chapter 16.
- XIV. Central Bank Commitment and the Inflation-Unemployment tradeoff, Chapter 17.