



ECON 3210: Advanced Macroeconomics Theory

2022 Fall Session	
Total Class Sessions: 25 Class Sessions Per Week: 5 Total Weeks: 5 Class Session Length (Minutes): 145 Credit Hours: 4	Instructor: Staff Classroom: TBA Office Hours: TBA Language: English

Course Description:

This course introduces some important topics and theoretical models in macroeconomics and helps students develop analytical skills and improve the ability to construct and apply macroeconomic models based on macroeconomic principles. Topics discussed includes: measurement issues, a one-period model, savings, investment, and government deficits, money and business cycles, and international macroeconomics. Through this course, students will study short-term and long-term issues in macroeconomic activity and analyze the role of the fiscal and monetary policies. Students will have deeper insights into economic growth processes and business cycles, and the key topics in macroeconomics. Based on the knowledge and skills learnt from this course, students will be better prepared for advanced study in economics.

Prerequisite: ECON 2210 Intermediate Macroeconomics

Learning objectives:

Upon successful completion of this course, students will be able to:

1. Become familiar with the methods employed in macroeconomic analysis
2. Identify the major facts about long-run growth and understand the theories
3. Understand how to think analytically, using economic theory and models to analyze key macroeconomic indicators

Course Materials:

Williamson, Stephen D, *Macroeconomics*, 6th edition, 2018, Pearson

Course Assignments:

Attendance

Attendance at all class meetings is required. You should notify the instructor as far in advance as possible of any class meeting for which you need to be absent, late, or leave early because of illness or other serious extenuating circumstances. You will be evaluated on your participation in class activities. Your participation also includes coming to class prepared to discuss the readings and related material and with all completed assignments due.

**Homework**

There are two homework assignments each week, which will help students enhance the understanding of the chapter. Students are required to finish it before the deadline. Some of the questions of the midterm and final exams will be related to the homework, so it is important for students to engage into them.

Exams

There will be two midterm exams and one final exam in this course. All the exams are closed book, but you can bring one sheet of hand-written personal notes (both sides).

Exact time and location for final will be announced later.

Course Assessment:

Attendance	5%
Homework	10%
Midterm exam 1	25%
Midterm exam 2	25%
Final exam	35%
Total	100%

Grading Scale (percentage):

A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F
98-100	93-97	90-92	88-89	83-87	80-82	78-79	73-77	70-72	68-69	63-67	60-62	<60

Academic Integrity:

Students are encouraged to study together, and to discuss lecture topics with one another, but all other work should be completed independently.

Students are expected to adhere to the standards of academic honesty and integrity that are described in the Chengdu University of Technology's *Academic Conduct Code*. Any work suspected of violating the standards of the *Academic Conduct Code* will be reported to the Dean's Office. Penalties for violating the *Academic Conduct Code* may include dismissal from the program. All students have an individual responsibility to know and understand the provisions of the *Academic Conduct Code*.

Special Needs or Assistance:

Please contact the Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material. Our goal is to help you learn, not to penalize you for issues which mask your learning.

Course Schedule:



Week	Topics	Assignments
Week One (Class 1~5)	Introduction Gross domestic product, economic growth, and business cycles Macroeconomic models, Microeconomics principles and Macroeconomic analysis Recent and current macroeconomic events Measurement Measuring GDP, The components of aggregate expenditure, Nominal and real GDP and price indices Problems with measuring real GDP and the price level Savings, wealth, and capital Labor market measurement Business cycle measurement Regularities in GDP fluctuations Comovement The components of GDP The price level and inflation Labor market variables Seasonal adjustment	<ul style="list-style-type: none">• Homework 1• Homework 2
Week Two (Class 6~10)	Consumer and firm behavior: the work-leisure decision and profit maximization The representative consumer The representative firm A close-economy one-period macroeconomic model Government Competitive equilibrium Optimality Working with the model: the effects of a change in government purchases Working with the model: a change in total factor productivity A distorting tax on wage income, tax rate changes, and the Laffer Curve	<ul style="list-style-type: none">• Homework 3• Homework 4• Midterm exam 1
Week Three (Class 11~15)	A two-period model: the consumption-savings decision and credit markets A two-period model of the economy	<ul style="list-style-type: none">• Homework 5• Homework 6



	<p>The Ricardian Equivalence Theorem</p> <p>A real intertemporal model with investment</p> <p>The representative consumer</p> <p>The representative firm</p> <p>Government</p> <p>Competitive equilibrium</p> <p>The equilibrium effects</p> <p>Credit market frictions and the financial crisis</p> <p>Sectoral shocks and labor market mismatch</p>	
Week Four (Class 16~20)	<p>Money, banking, prices, and monetary policy</p> <p>Definition of money</p> <p>A monetary intertemporal model</p> <p>A level increase in the money supply and monetary neutrality</p> <p>Shifts in money demand</p> <p>Conventional monetary policy, the liquidity trap, and the unconventional monetary policy</p> <p>International trade in goods and assets</p> <p>A two-period small open-economy model: the current account</p> <p>Production, investment, and the current account</p>	<ul style="list-style-type: none">• Homework 7• Homework 8• Midterm exam 2
Week Five (class 21~25)	<p>Money in the open economy</p> <p>The nominal exchange rate, the real exchange rate, and purchasing power parity</p> <p>Flexible and fixed exchange rates</p> <p>A monetary small open-economy model with a flexible exchange rate</p> <p>A monetary small open economy with a fixed exchange rate</p> <p>Capital controls</p> <p>A New Keynesian Sticky Price Open-Economy Model</p> <p>Review for final</p>	<ul style="list-style-type: none">• Homework 9• Homework 10• Final exam