E322 Macroeconomic Theory

Fall 2012

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Office Hours: TR 10:30-11:30 AM or by appointment


Grading: Based on 20 best out of 24 quizzes and 3 in-class exams. The scale is A (90-100), A− (85-89), B+ (80-84), B (75-79), B− (70-74), C+ (65-69), C (60-64), C− (55-59), D (50-54), F (0-49).

Note: Suggested assignments for AK are from the handout questions according to the following key: R—review questions, N—numerical questions, and A—analytical questions

I. Production and Growth (Chapter 1)

A. Modeling Production and Sources of Growth
Reading: AK pp.3-18 (R1-7, N1-3, A3)

Discussion/Quiz #1

B. Applications
Reading: AK pp.14-26 (R8-10, A2)

Discussion/Quiz #2

II. The Supply of Capital (Chapter 2)

A. Household Saving
Reading: AK pp.29-45 (R2-9, N5)

Discussion/Quiz #3

B. The Supply of Capital and the Decline of U.S. Saving
Reading: AK pp.45-48 (R13)

Discussion/Quiz #4
III. the Demand for Capital and Equilibrium (Chapter 3)

A. Modeling Firms
Reading: AK pp.53-60 (R1-2, 5-8, A1-3)

Discussion/Quiz #5

B. Modeling Growth
Reading: AK pp.60-66, 73-78 (R9-10, N1-5, A3.5)

Discussion/Quiz #6

C. Applications
Reading: AK pp.66-70, 78-80 (R11-12, A4)

Discussion/Quiz #7/Review

EXAM #1

IV. Fiscal Policy (Chapter 6)

A. Government Budget Constraint
Reading: AK pp.141-150 (R1-4,6)

Discussion/Quiz #8

B. Effects of Government Purchases
Reading: AK pp.150-155, (R5, 8-9, N3, A1)

Discussion/Quiz #9

C. Effects of Government Borrowing and Social Security
Reading: AK pp.156-162 (R10-11, N4.5, A2,3)

Discussion/Quiz #10

D. Explaining the Decline in U.S. Saving
Reading: AK pp.155-156

Discussion/Quiz #11

V. Alternative Theories of Saving (Chapter 15)

A. Precautionary Saving
Reading: AK pp.412-417 (R1-3, N1, A1)

Discussion/Quiz #12
B. Bequests
Reading: AK pp.417-423 (R4-6, N2)
Discussion/Quiz #13

VI. International Economics (Chapter 12)
A. A Two-Country Model
Reading: AK pp.323-332 (R1-5, 7-9 N1-4)
Discussion/Quiz #14

B. Applications
Reading: AK pp.332-343 (R10-12, A1-2)
Discussion/Quiz #15/Review

EXAM #2

VII. The Fiscal Crisis
A. The Demographic Transition (Kotlikoff and Burns, Chapters 1 and 2)
B. The Fiscal Gap (Kotlikoff and Burns, Chapter 3)
Discussion/Quiz #17
C. The US Consumption Binge (Kotlikoff and Burns, Chapter 4)
Discussion/Quiz #18
D. How Bleak, the Future? (Kotlikoff and Burns, Chapters 5-7)
Discussion/Quiz #19
E. Financial Markets (Chapter 8)
Discussion/Quiz #20
F. Fiscal Reforms (Chapter 9-11)
Discussion/Quiz #21
H. Economic Consequences of Fiscal Reforms I (IMF 2010, pp.93-95)

Discussion/Quiz #22

I. Economic Consequences of Fiscal Reforms II (IMF 2010, pp.95-108)

Discussion/Quiz #23


Discussion/Quiz #24/Review

EXAM #3