E322 Macroeconomic Theory

Fall 2013

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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

MEETING 1
I. Production and Growth (Chapter 1)

A. Modeling Production and Sources of Growth
Reading: AK pp.3-18 (R1-6, N1-3, A3)

MEETING 2
Discussion/Quiz #1

B. Applications
Reading: AK pp.14-26 (R7-10, A2)

MEETING 3
Discussion/Quiz #2

II. The Supply of Capital (Chapter 2)

A. Household Saving
Reading: AK pp.29-45 (R2-9, N2-5: Note, you need to use $w = \frac{(1-\beta)Y}{L}, r = \frac{BY}{K}$)

MEETING 4
Discussion/Quiz #3

B. The Supply of Capital and the Decline of U.S. Saving
Reading: AK pp.45-48 (R13)
MEETING 5  
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)

MEETING 6  
Discussion/Quiz #5

B. Modeling Growth  
Reading: AK pp.60-66, 73-78 (R9-10, N1-6, A3,5)

MEETING 7  
Discussion/Quiz #6

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

MEETING 8  
Discussion/Quiz #7/Review

MEETING 9  
EXAM #1

MEETING 10  
IV. Fiscal Policy (Chapter 6)  
A. Government Budget Constraint  
Reading: AK pp.141-150 (R1-4,6)

MEETING 11  
Discussion/Quiz #8

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

MEETING 12  
Discussion/Quiz #9

C. Effects of Government Borrowing and Social Security  
Reading: AK pp.156-162 (R10-11, N5, A2,3)
MEETING 13
Discussion/Quiz #10

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

MEETING 14
Discussion/Quiz #11

V. Alternative Theories of Saving (Chapter 15)

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

MEETING 15
Discussion/Quiz #12

B. Bequests
Reading: AK pp.417-423 (R4-6, N2)

MEETING 16
Discussion/Quiz #13

VI. International Economics (Chapter 12)

A. A Two-Country Model
Reading: AK pp.323-332 (R1-5, 7-9 N1-4)

MEETING 17
Discussion/Quiz #14

B. Applications
Reading: AK pp.332-343 (R10-12, A1-2)

MEETING 18
Discussion/Quiz #15/Review

MEETING 19
EXAM #2

MEETING 20
VII. The Fiscal Crisis

A. The Demographic Transition (Kotlikoff and Burns, Chapters 1 and 2)

B. The Fiscal Gap (Kotlikoff and Burns, Chapter 3)
MEETING 21
Discussion/Quiz #17

C. The US Consumption Binge (Kotlikoff and Burns, Chapter 4)

MEETING 22
Discussion/Quiz #18

D. How Bleak, the Future? (Kotlikoff and Burns, Chapters 5-7)

MEETING 23
Discussion/Quiz #19

E. Financial Markets (Chapter 8)

MEETING 24
Discussion/Quiz #20

F. Fiscal Reforms (Chapter 9-11)

MEETING 25
Discussion/Quiz #21

H. Economic Consequences of Fiscal Reforms I

MEETING 26
Discussion/Quiz #22

I. Economic Consequences of Fiscal Reforms II

MEETING 27
Discussion/Quiz #23

J. Fiscal Reform—Update

MEETING 28
Discussion/Quiz #24/Review

MEETING 30
EXAM #3