Topics: Macroeconomic analysis deals with the determination of aggregate output and prices, economic growth, the financial markets, cyclical fluctuations, fiscal and monetary policies, and linkages with the global economy.

Prerequisites: ECON 101: Principles of Microeconomics, ECON 102: Principles of Macroeconomics and one math course at the level of MATH 115 or higher.

Readings: The textbook for the course is:

Mankiw, *Macroeconomics* (8th ed.)

The solutions to the questions at the end of each chapter are available on the Sakai site. There is also a *Study Guide and Workbook* for use with the text by Roger Kaufman. Supplementary readings will be available through our Sakai site.

Requirements: The final grade will be based on the results of two mid-term exams (25% each), a final exam (35%) and the problem sets (15%).

Sakai Site: We will use our Sakai site to make announcements, post news stories and problem sets, answer questions, etc. All class notes, problem sets, and exams are the intellectual property of instructor and should not be given or forwarded to any other party without prior consent.

Office Hours: Office hours are on Wednesdays from 2 – 3:30 p.m. and Thursdays from 2:30 – 4 p.m.

Tutor: The tutor for the course is Emily Rothkin. She will announce when she is available to work with you.

Classroom Environment: We meet in the classroom to collectively learn the material. Laptop computers are not to be used unless a student has prior permission. Do not send or check for text messages. Please refrain from leaving the room unless necessary. All members of the course are expected to adhere to the Honor Code of Wellesley College.
READINGS

I. Macroeconomic Concepts and Issues

   Jan. 27: National Income
   Jan. 30: Inflation and Unemployment

   Mankiw, Chs. 1; 2; 5.3, 5.5; 7.2

PROBLEM SET #1 (Feb. 6)

II. Output and Inflation: Long-Run

   Feb. 3: Aggregate Supply
   Feb. 4: REV
   Feb. 6: Production Functions
   Feb. 10: Aggregate Demand
   Feb. 13: Loanable Funds

   Mankiw, Chs. 3; 5.1; 10.3, 10.4: 288-289

III. Financial Markets

   Feb. 17: Role of Finance
   Feb. 18: REV
   Feb. 20: Asset Markets

   Mankiw and Ball, Chs. 15; 16.1-16.5; 17.1-17.2

PROBLEM SET #2 (Feb. 27)

IV. Growth: Very Long-Run

   Feb. 24, Feb. 27: Solow Model

   Mankiw, Chs. 8; 9.1-9.3
   Wolf, “Is Unlimited Growth a Thing of the Past?” Financial Times, 10/2/2012

PROBLEM SET III (March 3)

FIRST EXAM: I - IV (March 6)
III. Output and Inflation: Short-Run

March 3:  Keynesian Cross  
March 4:  REV  
March 10: IS-LM Model  
March 13: Macro Policies  
March 17: Aggregate Demand and Supply  
March 18:  REV  

Mankiw, Chs. 10.1-10.2; 11; 12.1, p. 350; 12.2; 14.1  

**PROBLEM SET #4 (March 17)**

*SPRING BREAK  March 20, 24, 27*

March 31: Phillips Curve  
Mankiw, Ch. 14.2

**PROBLEM SET #5 (April 3)**

V. Fiscal Policy  

April 3:  Deficits  
April 7:  Debt  
April 8:  REV Class  

Mankiw, Ch. 19.1, 19.3, 19.5  

**PROBLEM SET #6 (April 8)**

**SECOND EXAM: IV – V (April 14)**

VI. Monetary Policy  

April 10:  Monetary Expansion  
April 17:  Federal Reserve  
*April 21:  Monday Schedule*  
April 22:  REV  
April 24:  Policy Tools and Goals  

Mankiw, Chs. 4: 18.2; 15: 435-437  
*The Economist*, “Controlling Interest,” 9/21/2013
PROBLEM SET #7 (May 1)

VII. International

April 28: Balance of Payments
April 29: Ruhlman Conference
May 1: Flexible Exchange Rates
May 5: Fixed Exchange Rates
May 8: Global Inequality

Mankiw, Ch. 6.1-6.2; 13.5
Lakner and Milanovic, “Global Income Distribution,” Vox, 5/7/2014

PROBLEM SET #8 (May 8)

FINAL EXAM: Self-scheduled