

OHIO UNIVERSITY
Department of Economics
Econ 6040 Advanced Macroeconomic Theory I
Fall 2022

Professor: Roberto Duncan

Contact information: E-mail: duncanr1@ohio.edu. Office: 349 Bentley Hall Annex

Course meetings: Monday and Wednesday, 4:35 PM to 5:55 PM, Bentley Hall 025.

Office hours: Monday and Wednesday, 10:30 AM to noon, or by appointment. We can meet via Teams.

Note: If there is a COVID-19 outbreak and OU policies change, this class might be delivered in a hybrid format. Some class sections will be delivered at the meeting time and location and some sections will be delivered remotely. It is possible that some classes will be delivered in a learning space while also being delivered synchronously to students remotely. The instructor will provide details about the video conferencing platform on or before the first day of class.

Description and learning objectives: The course is designed to provide students with a background in basic macroeconomic theory at graduate level with a focus on economic applications. After completing this course, the student will be able to: (1) understand methods to measure empirical regularities, (2) apply macroeconomic models to understand macroeconomic phenomena; (3) use macroeconomic models to evaluate government policies; (4) develop deeper preparation for reading economic press and more advanced literature; (5) formulate a well-organized economic argument and communicate it effectively in written form.

Reading materials: I will upload lecture notes/slides, syllabus, homeworks, and solutions on Blackboard. The lectures, classroom activities, and all materials associated with this class and developed by the instructor are copyrighted in the name of Roberto E. Duncan on this date (8/22/2022). The lecture notes will be the base of our classes so you can print them off and bring them to class. Students are expected to have completed the readings prior to lecture. Lectures notes will be based on

- Duncan, R. 2015. A Simple Model to Teach Business Cycle Macroeconomics for Emerging Market and Developing Economies, *Journal of Economic Education*, 46(4): 394-402. [RD]
- Romer, David. 2005. *Advanced macroeconomics* (3rd edition). McGraw-Hill/Irwin. [DR]
- Wickens, Mike. 2008. *Macroeconomic Theory: A Dynamic General Equilibrium Approach*. Princeton University Press. [MW]
- Williamson, Stephen. 2014. *Macroeconomics* (5th ed.), Addison Wesley (ISBN-10: 0132991330). [SW]

Exams: There will be 3 exams. The use of notes, books, calculators, or any other similar material can be allowed during any exam. The midterm exams will be on September 14 and October 26 (time and format to be announced). The final exam is on Friday, December 9, at 12:20 p.m. [Needs to be confirmed.] Make-up exams will only be given under exceptional circumstances. Notice must be given before the date of the exam (as early as possible). If there is a make-up, this might be a cumulative oral exam.

Homeworks: Homeworks will be due at the beginning of lecture. Only electronic copies are accepted. There is a late-homework policy. Late homeworks will be accepted for partial credit, but only up to two days after the due date. Every day the discount will be 20%. If, for example, you turn it in a few minutes later or up to 24 hours later than the due date and time, then your maximum score will be computed over 80% of the original total points. If you plan to turn in a late homework you must coordinate with me by email. The late homework policy does not apply if a student turns in partial answers in two or three days (e.g., half of the homework one day and the remaining the next one). You are allowed and encouraged to discuss homeworks with other students in class or in groups. However, you, *not* your group, must turn in the solution to each homework problem. If you solve a homework with a classmate or group, please cite that on the front of your homework. This does not affect your score and it is a honor code highly appreciated. Electronic copies of handwritten solutions are accepted. Just make sure that they are legible, neat, and organized, otherwise you might lose points. Do not forget to show your work in all exams and homeworks.

Grading: The course grade will be based on (i) the simple average of the two exams and (ii) the average of homeworks. The exams will be worth 70% and the homeworks will count for 30%. That is,

Score=0.7×(Average of Exams)+0.3×(Average of Homeworks). Once your course score is computed, your course grade will be determined. Grades will depend on the overall performance of the whole class. There is not a fixed scale to assign grades. The median grade of my previous courses has been a B- or B and students required at least 50% of the score of the student with the maximum score in the course to get a passing grade (that is, C- at least). There is a regrading policy. You can request regrading of any homework or exam during a limited period. You have one week for any regrading request starting from the day that I give the exams/homework back in class. To optimize time, regrading requests will be only written.

Attendance: Attendance at the on-site or online lectures is not mandatory. You are responsible for any announcement, reading material, written homeworks, etc. mentioned, covered, or assigned in class. If you miss a class, it is your responsibility to get notes and other relevant information from your classmates. The objective of office hours is to solve specific doubts and questions about the topics and concepts addressed in lectures. The use of cellphones, tablets or similar devices during a lecture is not recommended and not allowed. No classes nor office hours on September 5 and November 23.

Course outline

Parts and sections	No. of Lectures	Readings
Part I. Introduction		
1. Basic concepts; GDP components, measurement	3	SW 1-2
2. Business cycle measurement, comovement and volatility	3	SW 3, DR 4.1
Midterm exam 1 (September 14)		
Part II. Static General Equilibrium Models		
3. Consumer and firm behavior	2	SW 4, Appendix
4. A closed-economy one-period macroeconomic model	3	SW 5
5. Pareto optimality, welfare theorems, Laffer Curve	2	SW 5
Part III. Dynamic General Equilibrium Models		
6. Two-period, closed-economy endowment economies	2	SW 9, Appendix
7. Credit market imperfections	2	SW 10
8. A small open economy model	2	SW 15
Midterm exam 2 (October 26)		
9. A real intertemporal model with investment	2	SW 11, 15, Appendix
10. A monetary intertemporal economy model	2	SW 12, Appendix
11. The real business cycle model	2	SW 13, DR 4.2
12. A monetary small open-economy model	2	SW 16, RD
13. The New Keynesian model	3	SW 14, MW 9
Part IV. Introduction to Growth Economics		
14. The neoclassical growth model	3	SW 7-8, DR 1,3
Final exam (Friday, December 9, at 12:20 p.m.[TBC])		

Accommodations for students with a disability: Any student who suspects s/he may need an accommodation based on the impact of a disability should contact the class instructor privately to discuss the student's specific needs and provide written documentation from the Office of Student Accessibility Services. If the student is not yet registered as a student with a disability, s/he should contact the Office of Student Accessibility Services. Please contact me as soon as possible during the first week of class.

Preferred name policy: Students may provide a preferred name (or nickname) and pronoun in "My OHIO Student Center." You can also send me an email to let me know.

Academic misconduct: It is expected that students follow the OU Honor Code (<https://www.ohio.edu/student-affairs/community-standards/student-code-of-conduct>). Academic misconduct is a violation of the Ohio University Student Code of Conduct: "Dishonesty or deception in fulfilling academic requirements. It includes, but is not limited to cheating, plagiarism, un-permitted collaboration, forged attendance (when attendance is required), fabrication (e.g., use of invented information or falsification of research or other findings), using advantages not approved by the instructor (e.g., unauthorized review of a copy of an exam ahead of time), knowingly permitting another student to plagiarize or cheat from one's work, or submitting the same assignment in different courses without consent of the instructor. Note: An instructor may impose a grade penalty for academic misconduct and/or file a judicial referral." Types of academic misconduct will be discussed in lecture 1 and can be found at

COVID-19 Protocol for Fall 2022

Based on Centers for Disease Control and Prevention COVID-19 Community Levels, the Athens Campus is currently at a medium COVID-19 community level. **Effective immediately, masks are recommended during scheduled class and class-related activities in classrooms**, laboratories, studios, clinical settings, other learning spaces, and the Child Development Center.

At low and medium COVID-19 community levels, masks may still be required in some settings:

- Clinical healthcare facilities including Campus Care
- COVID-19 testing facilities
- Where masks are not required, students, faculty, and staff who test positive or are exposed to COVID-19 must follow masking guidelines outlined in the OHIO COVID-19 Protocol.

Face covering exceptions on campuses where masks are required based on COVID-19 community level:

- Children under 2 years old.
- Any person while actively eating or drinking.
- In settings where it is not practicable or feasible to wear a face covering such as when receiving dental treatments or while swimming. Where working with equipment or in a process where wearing face coverings are impractical or dangerous, as determined by instructors or supervisors.
- Individuals who, due to extraordinary circumstances, claim and receive a written exemption from the University's face covering requirement through the appropriate university process.
- Employees, students, and visitors with a disability who are unable to wear a face covering and do not receive an approved exemption may request reasonable accommodations through the Office for University Accessibility.

Visit <https://www.ohio.edu/coronavirus/safety-protocols-ppe/mask-policy> for additional information.