Fall 2014  
Econ 6620 - Macroeconomics for Masters  

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Course objectives:  
The course will provide a rigorous introduction to the mainstream macroeconomic theory. It will offer insights into key macroeconomic issues concerning unemployment, inflation, and stabilization in a closed economy, and assess current controversies on output fluctuations and the effectiveness of monetary/fiscal policies. The course will pay special attention to integrating the banking system into the macroeconomic model and attempt to explain the sources and macroeconomic consequences of financial instability.  

At the completion of this course, students:  
1. are expected to have a solid knowledge of why and how economists (and policymakers) often disagree about the sources and mechanisms of business cycles, and the appropriate policy responses;  
2. should be able to read, discuss, and evaluate cogently the relevant media accounts.  

Books:  

Canvas:  
The syllabus, assignments, answers, economic data, grades (except final exam) and announcements will be posted on Canvas. It is the student’s responsibility to check Canvas regularly. Also make sure that your mail is forwarded from Canvas to an address that you check frequently.  

Course requirements:  
Homework assignments 30%  
Midterm Exam (Oct. 20, 75 minutes) 30%  
Final exam (Dec. 16, 6:00–8:00 PM) 40%  
Grades will be assigned on an absolute scale according to university requirements:  
90% and above A: excellent performance, superior achievement  
80% and above B: good performance  
70% and above C: sub-standard performance and achievement  
69% and below E: failure  
Pluses and minuses will be assigned around the cutoff points.
Collusion and cheating:
Students are encouraged to cooperate with classmates in preparing for exams and solving assigned homework problems. But each student is required to turn in his/her own assignment. Cheating, plagiarism and other types of academic misconduct will be dealt with in accordance with the University regulations. For full details on procedures and penalties, see: http://www.admin.utah.edu/ppmanual/8/8-10.html#SECTION%20V.

Students with disabilities:
The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Olpin Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.

Course Outline and the Readings
(Dates are approximate)

Additional readings may be assigned during the semester.

8/25-9/3  The standard classical and Keynesian models
          CS, Ch. 1.
          SV, pp. 36–69, 101–123.

9/15    The labor market and the Philips curve
        CS, Ch. 2.

9/22    The 3-equation model and monetary policy
        CS, Ch. 3.

9/29    Expectations formation
        CS, Ch. 4.

10/6    The banking system
        CS, Ch. 5.

10/20-27 The macro-financial system and crisis
         CS, Chs. 6, 7.

11/3    Economic growth
        CS, Ch. 8.
        SV, Ch. 11.
11/10   Monetary policy
         CS, Ch. 13.

11/17   Fiscal policy
         CS, Ch. 14.

11/24   The labor market and unemployment
         CS, Ch. 15.

12/1-12/8   DSGE Models: Classical and “Keynesian”
             CS, Ch. 16
             SV, Ch. 6.