

# Syllabus: Intermediate Macroeconomics

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**Institution:** Economics Department  
**Term Dates:** Apr 1–Jun 7  
**Lecture Times:** Mon and Wed, 12:00-13:00, Lecture Hall 1

**Instructors:** Rory Mullen, Assistant Professor of Finance;  
Grad Student, Graduate Teaching Assistant

**Website:** [rorymullen.net/teaching](http://rorymullen.net/teaching)

**Textbooks:** Blanchard (2016)

**Assessment:** Participation 10%, Homework 20%, Midterm 30%, Final 40%

**Final Exam:** June

**Prerequisites:** Intro to Micro, Intro to Macro

**Credits:** 15 Credits

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## Introduction and Overview

Welcome to Intermediate Macroeconomics. Over the next ten weeks, we'll develop a theory to explain movements in aggregate economic variables in the short, medium, and long run, in both normal times and times of economic crisis. We start with the set of economic concepts that you've taken from your principles courses, and develop them further by making greater use of mathematical models. We'll look beyond the textbook as well, applying the theory we learn to current events and policy debates.

After a math refresher and a quick review of macroeconomic variables, we begin the course with a study of goods markets and an introduction to financial markets. We then discuss interactions between goods and financial markets, developing the benchmark IS-LM model, before diving deeper into financial markets and taking the midterm exam. After the midterm, we take an in-depth look at labor markets and wage determination. We then introduce the Philips Curve and develop the benchmark AS-AD model to study how goods, financial, and labor markets interact. Finally, we turn to the topic of technological progress and long-run economic growth. Our textbook is written by an outstanding macroeconomist, and it's easy to follow, I hope you enjoy reading it.<sup>1</sup>

We have a few learning goals for this course. The first set of goals relates to your stock of economic knowledge. By the end of the term, you should know the standard macroeconomic

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<sup>1</sup>The book has just gone through a major update in the seventh edition, so older editions will not work well for this course. You can read the author's thoughts on updating the book here: [link](#).

terminology, and have in your mind a model of the economy at the aggregate level. This requires that you learn how several key macroeconomic variables are related. You will also learn to interpret macroeconomic data and charts. The second set of goals relates to your ability to apply this economic knowledge. This means analyzing news and current economic developments and forming opinions that you can support with theory or data. It also means evaluating economic policy measures proposed by government officials. You should be able to explain to friends how specific policy proposals will likely affect goods, financial, and labor markets.

## Policies and Procedures

This section describes the policies and procedures that help this module run smoothly. We hope that you find the information useful and clear, and we welcome you to reach out with questions.

**Attendance.** We recommend that you attend lectures and seminars to get the best learning experience. Missing lectures is sometimes unavoidable, so if you do miss a lecture, you may wish to obtain notes from a classmate. Please email the Undergraduate Office for issues related to absences; please feel no need to email directly.

**Participation.** You will be able to participate in lectures interactively using the Vevox platform ([www.vevox.com](http://www.vevox.com)). In weeks three through seven, you will earn one point for each Vevox poll or question to which you respond. Any response earns one point, and many polls and questions are opinion-based. You can respond to polls and questions as they appear in live lectures, or anytime during the week following the live lecture in which they appear. Your participation mark will equal the point total that you earn divided by the number of polls and questions that appear in lectures during weeks three through seven. A Vevox session will be running during each lecture. This instructional video shows how to join and participate in Vevox sessions.

**Reading.** Textbook chapters and other assigned readings are a great way for you to reinforce and deepen your understanding of the material that we cover in lectures. You'll find the relevant readings listed in the term schedule in this syllabus. I encourage you to make reading an important part of your study.

**Office Hours.** You are welcome to attend any of the weekly office hours that we offer for this module. An office hour schedule will be announced near the start of term. The forum on the course website serves as an asynchronous office hour, where you can also ask questions and receive answers from teaching staff and from fellow students.

**Email.** We use the forum on the course website as our primary mode of communication outside of lectures and seminars. Forums help us publicly collect and answer the useful questions that you ask during the module. The questions and answers that we develop and record during the module are often helpful later as you prepare for exams. We ask that you post questions to the forum, rather than emailing teaching staff directly. We aim to answer forum questions within two business days.

**Work Load.** This module carries 15 academic credits. One credit equates to around 10 hours of learning effort, spent as a combination of contact time (lectures, seminars, office hours) and

self-directed learning time (reading, problem set solving, exam preparation). You can find more information on academic credits in the Undergraduate Student Handbook.

**Revision.** We aim to provide excellent support as you revise for the final exam in June. We provide detailed step-by-step solutions to over one-hundred problems from the seminar problem sets. In addition, we provide a past exam along with detailed solutions. In the weeks before the final exam, we will announce additional support, including a review session in which we answer student questions about the exam. We also provide detailed references to textbooks where you can find additional practice material. We hope that you find these resources helpful!

**Marking.** Your final mark for the module is a weighted average of your marks in the following areas: Participation 10%, Homework 20%, Midterm 30%, Final 40%. You will be working hard this term, and your mark should reflect your hard work. For this reason, we award marks thoughtfully and generously, while upholding the high academic standards for which this University is known. You will find a detailed set of exam marking criteria on the course website. After your work is carefully marked by the teaching staff, second markers and external examiners then check the marks for fairness and consistency. Please see the Undergraduate Student Handbook for information on this University marking criteria and exams.

## References

- Blanchard, O. (2016). *Macroeconomics* (7th ed.). Pearson Education.
- Hicks, J. R. (1937). Mr. Keynes and the “classics”; a suggested interpretation. *Econometrica*, 147–159.
- Lucas Jr, R. E. (1988). On the mechanics of economic development. *Journal of Monetary Economics*, 22(1), 3–42.
- Phillips, A. W. (1958). The relation between unemployment and the rate of change of money wage rates in the united kingdom, 1861-1957. *Economica*, 25(100), 283–299.
- Romer, P. M. (1990). Endogenous technological change. *Journal of Political Economy*, 98(5, Part 2), S71–S102.
- Solow, R. M. (1956). A contribution to the theory of economic growth. *The Quarterly Journal of Economics*, 65–94.

## Term Schedule

Week	Material
01	Lecture 1: Math Refresher; Lecture 2: Introduction to Macroeconomics Seminar: Problem Set 1 - Math Review and National Accounts Reading: Blanchard (2016, Ch. 1-2) Notes: Optional refresher on essential mathematical tools
02	Lecture 3: The Goods Market; Lecture 4: Financial Markets I Seminar: Problem Set 2 - Equilibrium in the Goods Market Reading: Blanchard (2016, Ch. 3-4) Notes: Focus on IS curve derivation and money demand
03	Lecture 5: The IS-LM Model; Lecture 6: Applications of IS-LM Seminar: Problem Set 3 - IS-LM Analysis Reading: Blanchard (2016, Ch. 5); Hicks (1937) Notes: Integrating goods and financial markets; policy analysis
04	Lecture 7: Financial Markets II; Lecture 8: Midterm Review Seminar: Review Session - Practice Problems Reading: Blanchard (2016, Ch. 6) Notes: Extended financial markets; preparation for midterm
05	Lecture 9: Midterm Exam; Lecture 10: The Labor Market Seminar: No seminar (midterm week) Reading: Blanchard (2016, Ch. 7) Notes: Midterm on Apr 23, 8:30-10:20am
06	Lecture 11: The Phillips Curve; Lecture 12: The AS-AD Model Seminar: Problem Set 4 - Labor Markets and Inflation Reading: Blanchard (2016, Ch. 8-9); Phillips (1958) Notes: Natural rate of unemployment; inflation dynamics
07	Lecture 13: Short to Medium Run Dynamics; Lecture 14: Facts of Growth Seminar: Problem Set 5 - AS-AD Applications Reading: Blanchard (2016, Ch. 9-10) Notes: Transition to long-run analysis
08	Lecture 15: Capital Accumulation; Lecture 16: Technological Progress Seminar: Problem Set 6 - Solow Model Reading: Blanchard (2016, Ch. 11-12); Solow (1956) Notes: Solow model; steady-state analysis
09	Lecture 17: Technology in SR, MR, and LR; Lecture 18: Endogenous Growth Seminar: Problem Set 7 - Growth Models Reading: Blanchard (2016, Ch. 13); Romer (1990); Lucas Jr (1988) Notes: Extensions to basic growth model; R&D and innovation
10	Lecture 19: No class (Memorial Day); Lecture 20: Final Exam Review Seminar: Comprehensive Review Session Reading: Review all course materials Notes: Comprehensive review Wednesday
11	Finals Week Seminar: Office hours by appointment Reading: Review course materials Notes: Final exam on Jun 8, 8:30-10:20am