

INTERMEDIATE MACROECONOMICS  
ECO 4203  
FALL 2004

## Basic Information

Professor: Don Schlagenhauf  
Office: 277 Bellamy Hall  
Class Time: 2:00-3:15 T-Th  
Office Hours: 3:30-4:30 T-Th and by appointment  
Phone: 644-3817  
E-Mail: dschlage@mailier.fsu.edu

## Course Objectives

The objective of this course is to provide a simple, but rigorous framework for understanding and analyzing macroeconomic events, their causes and their consequences. The course will introduce you to modern macroeconomics. The focus will be on how consumers and firms respond to outside events such as government policy changes. Thus, the course will have a microeconomic flavor. We will not use any calculus, but will use graphs and algebra. It is hoped that the material taught will provide you with a crucial understanding of macroeconomics that will be of use when making professional decisions. At the end of the class you should be able to analyze and make some sense of issues like the current US macroeconomic situation, the current status of US fiscal and monetary policy, the impact of international events on the US economy, as well as be able to understand and read critically newspaper articles about the economy.

Some of the questions you should be able to answer by the end of the class are:

- What causes sustained growth and can growth continue indefinitely?
- Why are some countries rich and other countries poor?
- Is there anything that a government can or should do to alter the rate of economic growth ?
- What causes business business cycles?
- Should governments act to smooth business cycles?
- Do we have to worry about large trade deficits?
- Should we worry about large trade deficits?
- Is free trade good for US workers?

## Grading

The course grade will be based on exams, class room discussion, and

homeworks. Classroom discussion and homework performance will be considered for have three components. will be given. Four exams will be given including the final exam. Each exam is worth 25 percent of your final grade. The last exam will be comprehensive. The exams will be a combination of short answer questions and applied problems that stress the application of the concepts taught in lecture. **No makeup exams will be given for any reason.**

## Schedule

The schedule for exams is **tentative**. (I would rather change the exam dates are as follows:

Event	Date
First Exam	9/21
Second Exam	10/21
Third Exam	11/16
Fourth Exam	12/8

## Useful Texts and Notes

- Steven Williamson, **Macroeconomics**, Addison-Wesley, 2004.
- Posted lecture notes on my web page  
([http://garnet.acns.fsu.edu/~dschlage/don\\_schlagenhauf.htm](http://garnet.acns.fsu.edu/~dschlage/don_schlagenhauf.htm))

## Course Outline

### Measurement and Performance in Macroeconomics

#### A. Measurement of Output and Prices

1. Williamson-Chs 1-2
2. Lecture Notes 1

#### B. Measurement of Business Cycles

1. Williamson -Ch 3
2. Lecture Notes 2

### Economic Growth

1. Williamson-Ch 6
2. Lecture Notes 3
3. Goldman Sachs, Dreaming with BRICs: The Path to 2050, October 2003.

## EXAM 1

## Basic Models

- A. Some Basic Microeconomic Concepts**
  - 1. Williamson-Ch 4
  - 2. Lecture Notes 4
- B. A Simple Static Model**
  - 1. Williamson-Ch 5
  - 2. Lecture Notes 5
- C. Simple Dynamic Model - The Two Period Model**
  - 1. Williamson-Ch 8(pp.237-267)
  - 2. Lecture Notes 6
- D. Dynamic Fiscal Policy**
  - 1. Williamson-Ch 8(pp. 268-287)
  - 2. Lecture Notes 7

## EXAM 2

### The Basic Business Cycle Model and Policy

- A. A Real Intertemporal Model (with Investment)**
  - 1. Williamson, Ch. 9
  - 2. Lecture Notes 8
- B. A Business Cycle Model with Money**
  - 1. Williamson, Ch. 10
  - 2. Williamson, Ch. 15(pp. 536-551)
  - 3. Lecture Notes 9
- D. Models of the Business Cycle**
  - 1. Williamson, Ch. 11
  - 2. Lecture Notes 10
  - 3. Williamson, Ch. 12(possibly)

## EXAM 3

### International Macroeconomics

**A. International Trade in Goods and Assets**

1. Williamson, Ch 13
2. Lecture Notes 11

**B. Money in the Open Economy**

1. Williamson, Ch 14
2. Lecture Notes 12

## EXAM 4

### Cheating and Honor Code

Students are expected to uphold the Academic Honor Code. The Academic Honor System of the Florida State University is based on the premise that each student has the responsibility to:

1. Uphold the highest standards of academic integrity in the students own work,
2. Refuse to tolerate violations of academic integrity in the University community, and
3. Foster a high sense of integrity and social responsibility on the part of the University community.

Anyone caught cheating or facilitating dishonesty in any form will be appropriately penalized.

### ADA Requirements

Students with disabilities needing academic accommodations should:

1. Register with and provide documentation to the Student Disability Resource Center(SDRC).
2. Bring a letter to the instructor from SDRC indicating your need for academic accommodations. This should be done within the first week of class.

For more information about services available to FSU students with disabilities, contact the Assistant Dean of Students: [sdre@admin.fsu.edu](mailto:sdre@admin.fsu.edu), Disabled Students Services, 08 Kellum Hall, Florida State University, Tallahassee, Fl. 32306, (850)-644-9566.