This is a one-semester course in intermediate macroeconomics. Macroeconomics is the study of economic aggregates, such as employment and inflation, and of the public policies aimed at controlling economic aggregates, namely fiscal and monetary policies.

**Prerequisites.** Formally, prerequisites are Econ 4011 and its prerequisites, and Econ 1021. I will assume that you are familiar with elementary differential calculus and algebra. Browsing the textbook is probably the best way to evaluate whether your background is adequate. If you have any further concerns, please feel free to come to talk to me.

**Readings.** The textbook for this course is *Macroeconomics, Ninth Edition*, by Andrew B. Abel, Ben S. Bernanke, and Dean Croushore, Pearson 2017. Earlier editions are fine, but there will be differences in pagination for Sections and Problem Sets, so please take note of that issue. A copy of the ninth edition will be on reserve at the library.

I will provide additional readings during the semester. These readings will be taken from magazines and newspapers. Their objective is to bridge the more descriptive and formal perspective of a textbook with applications to real economic cases. Some material will be covered only in class and is not in the text. The articles about current economic policies discussed in class will constitute part of the material for the exams.

Textbook transparencies, class slides, and lecture notes are available on the Blackboard page for the course.

**Exams, Problem Sets, and Quizzes.** There will be three exams. The first two exams will be during class time. The dates for the exams are:

- **First exam: Thursday, February 14, 2019.**
- **Second exam: Thursday, March 28, 2019.**
- **Final exam: Tuesday, May 7, 2019, from 3:30 to 5:30 PM.**

There will be a help session before each exam, at a convenient time to be scheduled.

In addition to the exams, I will distribute problem sets approximately every other week. I will post solutions, so please understand that I cannot accept late homework.

There will be short in-class quizzes. Quizzes will cover the material discussed in class during the week. Their purpose is to give you rapid feedback on whether concepts and models are clear or not, so that any problems could be discussed in the successive classes or during office hours.

**Grading.** Problem sets account for 10% of the final grade. Each exam is worth 30% of the final grade. There will not be make-up exams. If for unavoidable reasons you will not be able to be present for an exam, you should notify me as soon as possible, and at least three days before the exam. Because of the size of the class, I will make no exceptions.
**Office Hours.** My office hours are on Wednesdays, from 5:00 to 7:00 pm. If you cannot make it during those times, please feel free to schedule an appointment at some other time. My office is in Seigle Hall, room 331. My phone number is 935-7335. A very easy way of getting in touch with me when you have questions and concerns is by e-mail. My address is gaetano@wustl.edu.

The assistant to the instructor for this course will be Andrea Paloschi (Seigle 354); his email address is andrea.paloschi@email.wustl.edu; his office hours will be announced on Blackboard when they will be available.

**Course Outline.** The following is a tentative outline of the course; some changes will be added during the semester. I will distribute additional readings. Conceptually, the course is divided into three parts: measurement, theory, and policy. Roughly, the parts correspond respectively to chapters 2-5, 6-11, and 12-15. In terms of pace, we will cover approximately one textbook chapter per week.

I. Introduction to Macroeconomics: What macroeconomics is and why it is important, Chapter 1.


III. Productivity, Output, and Employment, Chapter 3.

IV. Consumption, Saving, and Investment, Chapter 4.

V. Saving and Investment in the Open Economy, Chapter 5.

VI. Economic Growth, Chapter 6.

VII. Assets, Money, and Prices, Chapter 7.

VIII. Business Cycles, Chapter 8.

IX. A General Macroeconomic Model, Chapter 9.

X. Classical Business Cycle Analysis, Chapter 10.

XI. Keynesian Business Cycle Analysis, Chapter 11.

XII. Macroeconomic Policy, Chapter 12.

XIII. Monetary Policy, Chapter 14.

XIV. Fiscal Policy, Chapter 15.

XVI. Open Economy Macroeconomics, Chapter 13.