



QUINLAN
SCHOOL of BUSINESS

Schreiber Center • 16 E. Pearson St.
Water Tower Campus • Chicago, IL 60611
LUC.edu/Quinlan

ECON 304: Macroeconomics Spring 2018

Lecture: Tuesdays and Thursdays 1:00–2:15 pm, Corboy Law Center, Room 321

Instructor: Julián P. Díaz

Email: jdiaz17@luc.edu

Office: Schreiber Center, Room 826

Office Phone: (312) 915-7045

Office Hours: Tue 2:30–3:30 pm, Thu 10:00–11:30 am and by appointment.

▪ **Course Description**

This course develops the framework used by economists in government, business and academia to analyze the key determinants of economic growth, the business cycle, unemployment, inflation, the level of interest and exchange rates, as well as explaining how all these variables are influenced by monetary and fiscal policy.

▪ **Course Overview**

This is a “tools” course: it acquaints students with the most important macroeconomic concepts, and develops a simple model to understand how fiscal and monetary policy affect economic activity. This in turn allows students to participate in the ongoing macroeconomic debate.

▪ **Course Objectives and Learning Outcomes**

After taking this course, the students will be able to:

- Measure the main macroeconomic variables and have a clear knowledge of their inter-relationships.
- Determine the main historical properties of business cycles fluctuations and identify the most important co-movements.
- Have a practical understanding of how fiscal and monetary policies are implemented, and assess their effectiveness and limitations.
- Develop a simple, yet widely-used framework for macroeconomic analysis.
- Identify the major differences between the classical and Keynesian approaches to macroeconomic policy, and participate in the macroeconomic policy debate.

- Assess the challenges faced by the current Social Security system and discuss potential solutions.

▪ Required Materials

Textbook: Abel, Bernanke and Croushore. *Macroeconomics*. Pearson, 9th edition. The ISBN for the book is 0-13-416739-6. The textbook is available at the Water Tower Campus University Bookstore and can also be purchased online.

More information on how to purchase the textbook, including the electronic version, can be found at the publisher's website: <http://www.mypearsonstore.com/bookstore/macroeconomics-plus-myeconlab-with-pearson-etext-access-9780134467221>.

Additional readings: Handouts, class notes and articles from journals and magazines will be posted on the class website in Sakai. In some instances, they might also be distributed in class. The class website will be the most important tool to communicate announcements, materials and anything related to this class. You will be responsible for all material posted in the webpage. Please check it at least once a week.

▪ Course Requirements and Grading Criteria

Exams and Quizzes: There will be a midterm and a final exam. Moreover, approximately once every three weeks there will also be three shorter quizzes. The midterm and final exams will be cumulative, whereas the quizzes will only cover the material covered since the last test.

As per Quinlan School of Business policy, there will be **no make-up dates** for exams and quizzes. Only under very extreme circumstances—such as an illness verified by a signed physician's note, death in the family, subpoenas, jury duty, military service, bereavement, or religious observance—will an exception be granted.

Class Participation: I strongly believe that the best courses are the ones with substantial student input. Thus, you are expected to come to class fully prepared and willing to participate in class discussions. Although the class format is mostly lecture-based, class participation is greatly valued and encouraged, and will make the difference between a good grade and a superior one. Moreover, please feel free to ask questions if my explanations are not clear or if I am covering the material too quickly.

Practice Exercises: I will suggest a list of exercises that should help you prepare for the exams and quizzes. The exercises will not be graded but will I will post the answers on Sakai.

▪ Grade Distribution:

<i>Requirement</i>	<i>Weight</i>
Quizzes (3)	15% each
Midterm exam	25%
Final exam	25%
Class participation	5%

▪ Attendance and Classroom Conduct

Class attendance and participation are fundamental components of learning, therefore punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students.

In the event unavoidable emergencies or conflicts prevent you from attending class, you must notify the instructor and program director by e-mail prior to missing the class, and request options for covering missed material. Most of the subjects in a course are sequential. Therefore, it is important to understand the material covered in the missed class before the next class.

Students are expected to behave in a professional manner, one that does not distract others. Please turn off cell phone ringers while in class and office hours. Laptops and tablets (with muted volume) should only be used for note-taking during class time.

▪ Academic Integrity

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood. Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website: <http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf>

▪ Course Outline

The outline below is tentative and subject to change depending on class discussion and interest. We will aim to cover one topic per class, but in some instances a topic will require more than one session to finish.

Each topic will be complemented with readings from magazines and journals. In order to keep the readings in line with current events, they will be posted online at the start of the week of the corresponding class session.

Introduction to Macroeconomics (Chapter 1)

Macroeconomic Data: Measurement of the key macroeconomic variables (Chapter 2)

Business Cycles (Chapter 8, skip section 8.4)

Consumption, Saving and Investment (Chapters 4.1, 4.2 and 4.A)

Productivity, Output and Employment (Chapter 3, skip section 3.6)

Fiscal Policy, Government Spending and the Government Budget (Chapter 15)

Money, the Federal Reserve System and Monetary Policy (Chapters 7, 9.3, 14.1 and 14.2)

Macroeconomic Analysis: the IS-LM/AS-AD Framework (Chapter 9)

Classical versus Keynesian Approaches (Chapters 10 and 11)

Social Security Programs (notes and articles)

Pick-and-choose topics (due to time constraints not all topics will be covered):

The Unemployment/Inflation “Trade-Off” (Chapter 12)

Monetary Policy in Practice (Chapter 14.3-14.4)

Rules versus Discretion (Chapter 14.5)

▪ Calendar

Below is a calendar with the important dates for the course. I reserve the right to change some of these dates, according to how the course evolves:

<i>Date</i>	<i>Activity</i>
Tue January 16	First day of classes, syllabus distributed
Thu February 1	Quiz 1
Thu February 22	Quiz 2
March 6-8	Spring break – no class
Thu March 22	Midterm Exam
Thu April 12	Quiz 3
Thu April 26	Last day of class. Review/catch-up session
Fri May 4	Final Exam, 1:00–3:00 pm