

C-11 Macroeconomics Winter, 1999

Professor Larry Christiano.

Office: 202 Anderson, office hours: Wednesday 3:15-4:00, or by appointment.

Telephone: 491-8231, email: l-christiano@nwu.edu (it will generally be easier to reach me by email).

Textbook: Macroeconomics, Olivier Blanchard.

TA: Kevin Reckelhoff, office hours: Tuesday, 3:30-5:30pm, 138 Anderson Hall, email: k-reckelhoff@nwu.edu; Henry Siu, office hours: Friday, 10am - 12pm, 301 Anderson Hall, email: hankman@nwu.edu.

Students are expected to attend one recitation session per week. There will be recitation in the first week of class. You can choose one of the following four options:

Thursday 1-2pm, Tech, M177 or M349.

Friday 1-2pm, Tech, L361 or L168.

Grading: weekly homeworks, due in Tuesday class each week (10%); midterms Jan. 20 (15%) and February 10 (25%); final (50%).

Course description. This course develops a simple framework for thinking about the determinants of variables like aggregate employment, unemployment, growth, investment, consumption, interest rates, and inflation. The framework is used to address issues of current interest, such as: what is the role of saving in determining the long run wealth of the country; do Americans save enough and, if not, what should be done about it; what is the role of money in accounting for inflation; what are the factors accounting for the recurrent fluctuations in unemployment and output called the business cycle; what is the US central bank's track record in fighting inflation, and are there changes that would help improve its performance; what risks, if any, do the high US government deficits pose for the health of the US economy; is it advisable for the US Congress to require that the federal government's budget be balanced each year. The course will examine the various sides to debates about questions like these.

Schedule

In what follows, the dates for the first and second midterm and the statement about the material covered, are firm. However, the precise chapters to be covered are indicated as a guide only. I will let you know in class what chapters you are expected to know for each exam.

- Keynesian Cross Model:
January 4, 5, 6: Chapters 1-3, 4.1.
- IS-LM Model:
January 11, 12, 13, 18, 19: Chapters 5.1, 5.2, 6, 7.1.
- January 20: midterm will cover whatever material was covered up to, and including, January 13 lecture.
- International Economics (Open Economy IS-LM model):
January 25, 26, 27, February 1, 2, 3: Chapters 11, 12, 13, 14.
- AD-AS Model:
February 8, 9: Chapters 15, 16.
- February 10: midterm will cover whatever material was covered up to, and including, February 3 lecture.
- February 15: continue with Chapter 16.
- Great Depression and High European Unemployment:
February 16, 17: Chapter 20.
- Should Policy Makers Be Restrained?
February 22: Chapter 27.
- Growth Theory:
February 23, 24, March 1, 2, 3: Chapter 22-24, 25.3.