

EC211 Macroeconomics

Seminar Leader: Irwin Collier
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Office Hours: Monday afternoons by appointment

Course Description

This course is devoted to understanding the aggregate performance of modern capitalist economies with respect to the fluctuations and growth of domestic production, the levels and fluctuation of employment and hours, as well as the process of average wage and price levels over time. The impact of government fiscal policy and the monetary policy of central banks will be discussed. Major episodes in macroeconomic history, e.g. the Great Depression of the 1930s and the Financial Crisis of 2007/08, will be used to illustrate the application of the analytical tools introduced throughout the semester.

Requirements

Prerequisites

Students taking this course should have already successfully completed the course “Principles of Economics” (EC110). This course (EC211) deepens our understanding of macroeconomics discussed in the Principles course in a more detailed and formal fashion. Highly recommended is also successful completion of “Microeconomics for Social Science” (EC210). “Mathematics for Social Science” (MA 120) will be necessary for more advanced work in economics and should at least be taken concurrently with this course at the very latest. However for this course formal argument will only rely on basic analytic geometry and simple algebra.

Textbook

The course will use the on-line materials of the CORE project (<https://www.core-econ.org>) that include the chapters relevant for this course in the CORE textbook *The Economy: Economics for a Changing World* (1st ed., 2017). For those wishing to have a hard-copy of the text, a paperback copy can be ordered for £39.99 (plus shipping) at the Oxford University Press website.

<https://global.oup.com/academic/product/the-economy-9780198810247?q=%22The%20Economy%22&lang=en&cc=de>

Besides the textbook we will read and discuss an account of the origins of the financial crisis of 2007/08 and the policy responses from the very readable book by Princeton economics professor Alan S. Blinder. Paperback copies of Alan S. Blinder’s *After the Music Stopped: The Financial Crisis, The Response, and the Work Ahead*. (Penguin, 2013) cost about 11€.

Academic Integrity

Bard College Berlin maintains the staunchest regard for academic integrity and expects good academic practice from students in their studies. Syllabi should note that, instances in which students fail to meet the expected standards of academic integrity will be dealt with under the Code of Student Conduct, Section III Academic Misconduct.

Attendance

Attendance at ALL classes is expected. More than two absences (that is absences from two sessions of 90 minutes) in a semester will significantly affect the participation grade for the course. **Students are responsible** for consulting the Student Handbook for regulations governing periods of illness or leaves of absence.

Assessment and Grade Breakdown

Course grades will be based on

- Regular and active class participation [20%]
- Group problem sets (best five of six) [20%]
- A 60 minute mid-term examination [24%]
- A 90 minute final examination [36%]

Policy on Late Submission of Problem Sets

In accordance with Student Handbook regulations, problems sets that are no longer than 24 hours late will be downgraded one full grade (from B+ to C+, for example). Problem sets that are more than 24 hours late and up to four weeks past the deadline will be awarded a grade of no higher than C.

Thereafter, the student will receive a failing grade for the assignment.

Schedule (Reading assignments tentative)

	Monday	Wednesday
Jan 28/30	Introduction/Course Mechanics Begin CORE 4: Social Interactions	Blinder Ch. 1
Feb 4/6	CORE 5: Property and Power	Hand in <u>problem set 1</u> Blinder Ch. 2
Feb 11/13	CORE 6: The Firm. Owners, managers, and employees	Blinder Ch. 3

Feb 18/20	CORE 7: The firm and its customers	<u>Hand in problem set 2</u> Blinder Ch. 4
Feb 25/27	CORE 9: The labour market: Wages, profits, and unemployment	Blinder Ch. 5
Mar 4/6	CORE 10. Banks, money, and the credit market.	<u>Hand in problem set 3</u> Blinder Ch. 6
Mar 11/13		<u>Midterm</u>
Mar 18/20	CORE 11: Rent-seeking, price-setting, and market dynamics	Blinder Ch. 7
Mar 25/27	CORE 13: Economic Fluctuations and Unemployment	<u>Hand in problem set 4</u> Blinder Ch. 8
Apr 1/3	CORE 14: Unemployment and Fiscal Policy	Blinder Ch. 9
Apr 8/10	CORE 15: Inflation, unemployment, and monetary policy	<u>Hand in problem set 5</u> Blinder Ch. 14
Apr 15	<i>Spring Break</i>	<i>Spring Break</i>
Apr 22/24	<i>Spring Break</i>	CORE 16: Technological Progress, employment and living standards Blinder Ch. 15
Apr 29		<i>May 1 Holiday</i>
May 6/8	CORE 17: Depression, golden age, and global financial crisis	<u>Hand in problem set 6</u> Blinder Ch. 16 and 17
May 13/15 Completion Week	<u>Final Exam</u>	

Note: Completion week is from May 13-17. Students are required to be on campus during completion week!

Scheduled class times will be available online under the relevant course heading:
<https://berlin.bard.edu/academics/courses/>