

Economics 502

Macroeconomic Theory

Fall 2017

Instructor: Stephen Terry
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SSW 406

Class Time & Location
Tue & Thu 2:00PM-3:15PM
CAS B20

Instructor Office Hours: SSW 406
Tue 3:30PM-5:00PM
Fri 8:00AM-9:30AM

Course Website
Blackboard at <https://learn.bu.edu>

Teaching Assistant: Pak Shing Ho
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Available via email or by appointment

Course Overview

The course explores theoretical and empirical issues of central importance for macroeconomics. The major topics covered in the course include economic growth, consumption and savings, investment, business cycle fluctuations, the relationship between monetary policy and output, and optimal monetary policy. Throughout the course emphasizes the implications of macroeconomic theory for macroeconomic data. Readings include selected chapters from the textbook, class notes, and research articles.

Textbooks and Readings

- Lecture notes and selected readings will be posted on the course Blackboard website. These notes are meant to be self-contained.
- Romer, David. *Advanced Macroeconomics*, 4th Edition, McGraw-Hill. Recommended but not required.

Course Requirements

One Midterm Examination (30% of Grade)

This exam will be held in class on **Oct 19, 2017**.

One Final Examination (40% of Grade)

This exam will be held at a time and location determined by the BU Registrar.

Six Problem Sets (30% of Grade)

These problem sets will be made available on the course Blackboard site, and due dates will be indicated in class. You are allowed to work in groups of no more than 5 students on the problem sets. If you do work in groups, you must list your group members. Each student must turn in their own unique writeup of the solutions to receive credit. Unless otherwise indicated, problem sets are due at the beginning of class. You will receive a grade of 0, ✓ -, ✓, or ✓ +, with at least a ✓ if you attempt all the problems.

Regrade Policy

If you do not agree with your score on an exam, you may ask for a regrade. I will regrade the entire test personally, and you may lose points as well as gain.

Course Outline

Economic Growth

- Production Functions
- Solow Growth Model
- Growth Accounting
- Convergence
- Growth Empirics
- Endogenous Growth

Business Cycle Fluctuations

- Consumption and Savings
- Investment
- Real Business Cycles
- Monetary & New Keynesian Economics
- Monetary & Fiscal Policy
- Financial Crises & the Great Recession
- Unemployment