

Course Outline
SSCECON207 International Macroeconomics
2019-1(Spring)

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SSCECON207 International Macroeconomics

Classroom: E08

Class times: Mon 16:00-18:00, Thu 16:00-18:00

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For appointment fill in your name in an empty slot of my weekly agenda hanging on the door of my office.

1 Track Information

Prerequisites: SSCECON104 Intro to Econ AND (SCIMATH102 Elementary Calculus OR SCIMATH101 Calculus for Scientists)

This course is a prerequisite for: SSCECON306 Industrial Organization

For further information about the track, please see the track document available on the UCR Intranet.

2 Course Description

Macroeconomics studies the performance of national economies and the policies that governments use to improve economic performance. Throughout the semester we develop a model (IS-LM-PC-IP combined with Solow growth model) and use it to interpret real world events: from the recent crisis in the U.S., to the ongoing problems in Europe, to the economic rise of Asia.

3 Study Load

This course earns you 4 credits (7.5 EC). We meet twice a week for 2 hours. Preparation is 10 hours a week.

4 Course Materials

Textbook: Blanchard, O. (2017). *Macroeconomics. Global edition*. Pearson, 7th edition

Recommended: Williams, J. M. (1990). *Style: toward clarity and grace*. University of Chicago Press

5 Course Organization and Requirements

The course follows the schedule on page 4. The schedule, for the most part, follows the textbook: each session we cover (a part of) a new chapter. Before class you need to read the assigned chapter and to complete scheduled activities on [Moodle](#). The two regular Moodle activities include homework & feedback. I make them available at least 5 days before deadline. The deadline is always 4 a.m. before class.

I use completed Moodle activities to identify issues and concepts you find hard. I then use class time to review those concepts, practice applying them, and respond to your questions. **Importantly**, I don't lecture in a sense of presenting large chunks of textbook material. Coverage is determined by your reading, not by in-class lecturing. I do, however, address/explain issues you have difficulty with. Make sure to communicate those via Moodle. Watch [this video \(click\)](#) if you'd like to know more about my teaching approach.

Rules of engagement:

- We come on time.
- We greet each other.
- We speak English.
- We switch off (not just put on quiet) phones, laptops and other mobile devices before the class starts.
- We do not display or consume food during class or during the exams.
- You participate by asking/answering questions, solving problems and explaining concepts to peers.
- You take notes during class (using pen and paper).

This course is subject to UCR academic rules and procedures. Both students and instructors are required to know and follow these rules and procedures. In particular, class attendance is mandatory. You should inform the instructor before class if you can't attend because of illness or some other urgent reason. A student fails the course if he/she misses more than 6 classes.

Lecture Series “Burst the Bubble!” Since college life is often referred to as living in a bubble, the economics track at UCR organizes three guest lectures per semester to bring students in contact with the outside world. The lecture series features an alumnus/alumna from UCR, an outside academic and a professional active in the world of business or international affairs. Attendance of these guest lectures is mandatory. The dates are announced in a separate document and are subject to change, depending on the availability of the guest speakers. If the lecture is organized outside the regular class schedule, then a class will be cancelled to compensate (unless a class was already cut because of a public holiday).

6 Assessment

The final grade is composed of:

25% Exam 1 25% Exam 2 40% Paper 10% Homework

Exams Exams contain multiple choice and open questions. The difficulty is similar to questions covered in class and in homework assignments. Please bring a calculator.

Paper Guidelines are in appendix B on page 6. Deadlines are in section 7 on page 4. If you miss a deadline, I deduct 5% from your final paper grade per day of delay. Submit the paper both on Moodle and in hard copy to my pigeonhole in Eleanor.

Homework Homework assignments may include multiple choice & open questions. I grade multiple choice questions on correctness; you have unlimited attempts to try them. I grade open questions on effort.

Participation You participate by attending class and adhering to the rules of engagement above. Participation is not graded but is taken into account in borderline cases. For example, an actively participating student with a final 73.4% may get a *B+*.

7 Course Schedule

Week	Date	Topic (chapters refer to our main textbook)	Assessment and Assignment
1-1	28-Jan	Revision of Ch.3-9	
1-2	31-Jan	Revision of Ch.3-9. Intro to Stata	Moodle Homework
2-1	4-Feb	Ch.14. Financial Markets and Expectations	Moodle Homework
2-2	7-Feb	Ch.15. Expectations, Consumption, and Investment	Moodle Homework
3-1	11-Feb	Ch.16. Expectations, Output, and Policy	Moodle Homework
3-2	14-Feb	Ch.17. Openness in Goods and Financial Markets	Moodle Homework
4-1	18-Feb	Ch.18. The Goods Market in an Open Economy	Moodle Homework
4-2	21-Feb	Ch.19. Output, the Interest Rate, and the Exchange Rate	Moodle Homework
5-1	25-Feb	Ch.20. Exchange Rate Regimes	Moodle Homework
5-2	28-Feb	Revision	
6-1	4-Mar	Ch.14-20	Exam 1
6-2	7-Mar	Case: Finland 1986-1993	
7-1	11-Mar	TBA	
7-2	14-Mar	Ch.10-11. Saving, Capital Accumulation, and Output	Moodle Homework
8-1	18-Mar	Ch.12. Technological Progress and Growth	Moodle Homework
8-2	21-Mar	Paper consultations	
9-1	1-Apr	No class	
9-2	4-Apr	Paper consultations	
10-1	8-Apr	Case: Japan in the 1990s	
10-2	11-Apr	Ch.13. Technological Progress: Short, Medium, Long Run	Moodle Homework
11-1	15-Apr	Ch.22. Fiscal Policy: A Summing Up. Case: Russia 1998	Moodle Homework
11-2	18-Apr	Ch.23. Monetary Policy: A Summing Up	Moodle Homework
12-1	22-Apr	No class	
12-2	25-Apr	TBA	Paper due
13-1	29-Apr	Presentations and feedback	
13-2	2-May	Presentations and feedback	
14-1	6-May	Presentations and feedback	
14-2	9-May	Ch.24. Epilogue: The Story of Macroeconomics. Revision	Moodle Homework
15-1	13-May	Ch.10-24	Exam 2
15-2	16-May	Closure and course evaluation	Resubmission due

8 Student Learning Outcomes (SLOs)

A student is able to:

- Weeks 1-3
 - 1. Use algebra, graphs and verbal reasoning to solve textbook problems on the IS-LM-PC model with expectations.
 - 2. Present macroeconomic indicators using tables and graphs.
- Weeks 3-5
 - 3. Use algebra, graphs and verbal reasoning to solve textbook problems on the open economy IS-LM-PC model.
- Weeks 7-10
 - 4. Use algebra, graphs and verbal reasoning to solve textbook problems on the Solow growth model.
 - 5. Explain the effects of an exogenous shock on endogenous variables in the textbook model:
 - (a) which curve(s) shift(s) and why
 - (b) which endogenous variables go up/down and why
 - (c) build a unifying causality chain
- Weeks 11-15
 - 6. Use graphs and verbal reasoning to explain the tools and conduct of
 - (a) monetary policy
 - (b) fiscal policy
 - 7. Explain the past and current debates in macroeconomics.
 - 8. Use evidence to explain the anatomy of
 - (a) recessions
 - (b) financial crises
 - 9. Write an empirical paper.

Appendices

A Data and Stata

For data analysis most economists use statistical software Stata. As an introduction to Stata I recommend:

1. [Back-to-School Video Playlist](#)
2. [Introducing Stata via a sample session](#)
3. [Stata Tutorial, German Rodriguez, Princeton University, USA](#)

You learn most from these resources if you open Stata (installed on all UCR computers) and follow the instructions by typing commands and investigating the output. Further resources for learning Stata are [here](#), of which I find [the first one](#) particularly helpful. If you prefer to print something out I recommend [A Brief Introduction to Stata with 50+ Basic Commands](#). Below I list my favorite free data sources.

Source	Stata	Description
Trading Economics	none	international macro and finance
FRED	ssc install freduse	international macro and finance
Quandl	ssc install quandl	international macro and finance
Macro Data 4 Stata	already in Stata format	popular macroeconomic datasets
World Bank	ssc install wbopendata	extensive international econ data
AMECO	none	international macro

B Paper Guidelines

Choose a topic related to the material studied in this course. Indicate your choice on Moodle. Make sure your topic has not been chosen by other students. You can see their choices on Moodle. A good collection of suitable topics with extensive reference lists is available [here](#). Feel free to consult me if you need help.

Study the literature on your chosen topic. Perform a research project that uses data to extend the literature in some meaningful way. In weeks 9-10, I will meet you to give feedback on your research plan. Please bring a list of at least 10 references and a 200-word description of your research plan to the meeting. Sign up for this “Paper consultation” on Moodle.

Write a 2500-words paper in which you review the studied literature and describe your extension. By default, empirical papers in economics are organized as follows: introduction, literature, data, methodology, results, conclusion. You can deviate from this default if you need to.

Pick a date to present your findings in class. Indicate your choice on Moodle. Aim for a 20 min presentation excluding questions. Spend about a half of the time on the literature and about a half on your extension. Aim to provide a good learning experience for the students: make sure your presentation complements the course in some meaningful way.

Paper and Presentation Grading Rubric

1. Do I get a good understanding of the current state of the literature on the topic?
2. Do I understand your extension? Is it explained in sufficient detail?

3. Is the extension meaningful? Is it substantial?
4. Is the empirical analysis performed correctly?
5. Do you follow the principles of clear, cohesive and coherent writing? On clear writing, I recommend [Chapters 1-6](#) of Williams (1990) (with a useful summary of those chapters on p. 109). On why I recommend them, see [this review](#). Short of reading Williams (1990), see six principles of clear, cohesive and coherent writing on page 12 of [A Guide to Writing in Economics](#).
6. Do you use visuals (tables and graphs) effectively?
7. Are formal aspects OK? For example, title page, reference style, table layout, etc.
8. Is the presentation clearly structured? Do slides complement talk?
9. Is the delivery effective? Do you engage the audience? Apply what you learned in Academic core courses.

C-papers get a confident “yes” on criteria 1-2, and at least some other criteria. B-papers get a confident “yes” on criteria 1-4, and at least some other criteria. A-papers get a confident “yes” on all criteria. The best papers exceed expectations.