

**ECO 1500 – Macroeconomic Theory I**  
**Fall 2015 - Mondays & Thursdays**  
**8:30-10:10am – Social Sciences Building, Room 1039**

**Instructor:** Liya Palagashvili  
**Email:** liya.palagashvili@purchase.edu  
**Office Location:** Social Sciences Building, Room 1027

**Office Hours:** M, TH: 10:30am-12pm  
Or Wednesdays by appointment

**Prerequisites:** ECO1500 Minimum Grade of C+ or CEC1500 Minimum Grade of C+

**Required Material:** Tyler Cowen and Alex Tabarrok, *Modern Principles: Macroeconomics*, 3<sup>rd</sup> edition (ISBN: 978-1429278409)

**Course Description:** Pick up a newspaper, turn on the TV, or surf the web and you will almost certainly find journalists, politicians, and bloggers referring to macroeconomic concepts like economic growth, inflation, or unemployment. Some of the biggest news stories today are macroeconomic topics like the European debt crisis or trade with China. This course will provide you with the conceptual tools and the specialized vocabulary employed by economists in order to understand the crux of these macroeconomic problems and be able to engage in discussion on these topics.

**Course Learning Outcomes:**

- Develop an understanding of macroeconomic models and relationships between macroeconomic variables
- Utilize the models and conceptual tools to understand business cycles and economic growth
- Converse on topics of unemployment, business cycles, inflation, and economic growth, among others
- Evaluate when macroeconomic measures such as GDP and CPI can be properly used
- Discuss the financial system and evaluate the causes of the financial crisis

**Expectations:** I expect you to have met the prerequisites for the class. This is a challenging course, and I expect you to show up to all the lectures, to read the assigned material, and to ask for help when you need it. Although attendance is not a part of your grade, it is essential to understanding the material. If you miss a class, you are accountable for obtaining class notes and assignments.

**Problem Sets:** There will be three problem sets worth 30% of your grade (10% for each). You may work in groups (2-3 people) to complete the assignments. *All assignments are due in the beginning of class and on the due date.*

**Exams:** There will be two exams worth 20% of your grade each and a final exam (cumulative) worth 30% of the grade. There are no make-up exams. You are responsible for taking each examination as scheduled, and I will give a grade of “0” for missed exams. In the event of an unavoidable extenuating circumstance, you should let me know about the circumstance as far in advance of the exam as possible. If the absence is excused, you will be able to replace the grade of “0” for the exam with the grade you receive on the final. Thus, the final will be worth 30% or 50% or 70% of your grade, depending on how many exams you miss.

**Grading:**

Problem Sets (3 at 10% each): 30%

Exam 1: 20%

Exam 2: 20%

Final Exam: 30%

**A+** 98-100

**A** 93-97

**A-** 90-92

**B+** 88-89

**B** 83-87

**B-** 80-82

**C+** 78-79

**C** 73-77

**C-** 70-72

**D+** 68-69

**D** 60-67

**F** < 60

**Academic Dishonesty:** The college's policy on academic and professional integrity, published in the Student Handbook as part of the Community Standards of Conduct, is excerpted on the College Policies site. See this link on Academic Integrity

<http://www.purchase.edu/Policies/academicintegrity.aspx>

Cheating, forgery, and plagiarism are serious offenses, and students found guilty of any form of academic dishonesty are subject to disciplinary action.

**Office of Disabilities Services:** If you are a student with a disability and you need academic accommodations, please see me after class. Students with documented physical, learning, psychological and other disabilities are entitled to receive reasonable accommodations. If you need classroom or testing accommodations, please contact the Office of Access and Accommodations (Student Services third floor; 251-6035) or the Counseling Center (Module 1 on Lincoln Ave., 251-6390). All academic accommodations must be arranged through that office.

<b>Week 1: 8/31 – 9/3</b> Microeconomics review	Syllabus Cowen & Tabarrok, Chapters 1 & 3
<b>Week 2: 9/10. No class 9/7 (Labor day)</b> Microeconomics review	Cowen & Tabarrok, Chapters 4 & 5
<b>Week 3: 9/14 - 9/17</b> GDP & Economic Growth	Cowen & Tabarrok, Chapters 6 & 7 <b>Problem Set 1 Due on Thursday, September 17<sup>th</sup></b>
<b>Week 4: 9/21-9/24</b> GDP & Economic Growth	Cowen & Tabarrok, Chapters 6 & 7 <b>Exam 1 on Thursday, September 24<sup>th</sup></b>
<b>Week 5: 9/28 - 10/1</b> Loanable Funds Markets & Financial System	Cowen & Tabarrok, Chapter 9
<b>Week 6: 10/5 - 10/8</b> Business fluctuations and Unemployment	Cowen & Tabarrok, Chapter 11
<b>Week 7: 10/12 - 10/15</b> Inflation and QTM	Cowen & Tabarrok, Chapter 12
<b>Week 8: 10/19 - 10/22</b> Aggregate Demand & Supply	Cowen & Tabarrok, Chapter 13
<b>Week 9: 10/26 - 10/29</b> The financial crisis Exam review & problem set review	I will also assign papers to read on the financial crisis <b>Problem Set 2 Due on Monday, October 26<sup>th</sup></b>
<b>Week 10: 11/2 - 11/5</b> The Fed and Open-Market Operations	Cowen & Tabarrok, Chapter 15 <b>Exam 2 on Monday, November 2<sup>nd</sup></b>
<b>Week 11: 11/9 - 11/12</b> The Fed and Open-Market Operations Monetary Policy	Cowen & Tabarrok, Chapter 15 & 16
<b>Week 12: 11/16 - 11/19</b> Monetary Policy Taxes and Spending	Cowen & Tabarrok, Chapter 16 & 17
<b>Week 13: 11/23. No class 11/26 (Thanksgiving)</b> Taxes and Spending	Cowen & Tabarrok, Chapter 17
<b>Week 14: 11/30 – 12/3</b> Fiscal Policy & Public Choice	Cowen & Tabarrok, Chapters 18 & 21
<b>Week 15: 12/7 – 12/10</b> Public Choice Final Exam Review	I also will assign papers to read on this public choice <b>Problem Set 3 Due on Monday, December 7<sup>th</sup></b>
<b>Final Exam on Monday, December 14<sup>th</sup> at 9:00am</b>	