

## Intermediate Macroeconomics Fudan University

**Department: School of Economics**

<b>Course Code</b>	ECON130245		
<b>Course Title</b>	Intermediate Macroeconomics		
<b>Credit</b>	5	<b>Credit Hours</b>	90
<b>Course Nature</b>	<input type="checkbox"/> Specific General Education Courses <input type="checkbox"/> Core Courses <input type="checkbox"/> General Education Elective Courses <input type="checkbox"/> Basic Courses in General Discipline <input checked="" type="checkbox"/> Professional Compulsory Courses <input type="checkbox"/> Professional Elective Courses <input type="checkbox"/> Others		
<b>Course Objectives</b>	<p>After you finish the course, you are supposed to know:</p> <ul style="list-style-type: none"> <li>• What explains economic growth? Why there are large differences in economic performance across different countries of different times? What are the policies for economic growth?</li> <li>• Why there are booms and recessions? Should the government try to stabilize the economy against business-cycle fluctuations? What are the policies in the toolbox of the authority?</li> <li>• How to explain unemployment? What policy would help to reduce unemployment?</li> <li>• How do central banks affect interest rates, and how do interest rates affect the economy? What should central banks do during a recession? What happens during a financial crisis? How should central banks react to financial crises?</li> </ul>		
<b>Course Description</b>	<p>This is a course in macroeconomic theory at an advanced undergraduate level. In the course, we will be examining macroeconomic and monetary issues and studying various models designed to help us understand those issues. The role of policymakers in shaping macroeconomic outcomes will be our focus. In the final part of the course, we will also take a close look at the recent financial crisis and the Great Recession.</p>		
<p><b>Course Requirements:</b> The course presumes knowledge of both micro and macro at the principles level, as well as elementary differential calculus and high school level algebra. It is helpful, though not necessary, to have taken intermediate micro. <b>Prerequisites:</b> Principles of Microeconomics; Principles of Macroeconomics.</p>			
<p><b>Teaching Methods:</b> Lectures, presentations, and group discussions</p>			

**Instructor's Academic Background:**

Dr. Hu Bo is an Assistant Professor at the School of Economics, Fudan University. He holds a Bachelor degree in Economics from Southwestern University of Finance and Economics (Chengdu, China), a Research Master degree in Econometrics from Erasmus University (Rotterdam, Netherlands), and a Ph.D. degree in Economics from Tinbergen Institute and Vrije Universiteit (Amsterdam, Netherlands). His current research fields are intermediaries in goods and financial markets, corporate governance, and executive compensation.

Members of Teaching Team				
Name	Gender	Professional Title	Department	Responsibility
Bo Hu	Male	Assistant Professor		Lecturer

**Course Schedule**

*\*GLS refers to Julio Garin, Robert Lester, Eric Sims, Intermediate Macroeconomics, 2019. And Williamson refers to Stephen D. Williamson, Macroeconomics, Pearson Education, 6th Edition, 2017. See references at the end.*

**Week 1: Introduction**

- a. Math Review (GLS Appendix A)
- b. Basic economic concepts (GLS Ch. 1)
- c. What is a model (GLS Ch. 2)
- d. A brief history of economic thought (GLS Ch.3)

Other materials: Williamson Ch. 1-3

**Week 2 to 3: Economic Growth**

- a. Stylized facts (GLS Ch. 4)
- b. Solow growth model (GLS Ch. 5-6)
- c. Cross-country differences in standards of living (GLS Ch. 7)

Other materials: Williamson Ch. 7-8

**Week 4: Consumption**

- a. A two-period consumption-saving problem (GLS Ch. 9)
- b. Endowment Economy Equilibrium (GLS Ch. 11)
- c. Fiscal policy and Ricardian Equivalence (GLS Ch. 13.1-13.2)

Other materials: Williamson Ch. 9

**Week 5 to 7: Neoclassical Business Cycle Model (RBC Model)**

- a. Production and labor supply (GLS Ch. 12)
- b. Money (GLS Ch. 14)
- c. Neoclassical business cycle model (GLS Ch. 17-18)
- d. Taking the model to the data (GLS Ch. 19)
- e. Money, inflation, and interest rates (GLS Ch. 20)

f. Critiques (GLS Ch. 21)

Other materials: Williamson Ch. 11-13

### **Week 8: Midterm Exam**

#### **Week 9 to 12: New Keynesian Model**

- a. IS-LM-AD model (GLS Ch. 23)
- b. IS-LM-AD-AS model (GLS Ch. 24-25)
- c. Dynamics and the Phillips Curve (GLS Ch. 26)
- d. Monetary Policy and the Zero Lower Bound (GLS Ch. 27-28)

Other materials: Williamson Ch. 14

#### **Week 13 to 14: Open-Economy Macroeconomics**

(A Review of Neoclassical and New Keynesian Models)

- a. The open economy in Neoclassical Business Cycle Model (GLS Ch. 22)
- b. The open economy in New Keynesian Model (GLS Ch. 29)

Other materials: Williamson Ch. 15-16

#### **Week 15: Unemployment**

- a. Search, Matching and Unemployment (GLS Ch. 16)

Other materials: Williamson Ch. 6

#### **Week 16 to 17: Topics in Finance and Macroeconomics**

- a. Basics of banking (GLS Ch. 30)
- b. Money Creation Process (GLS Ch. 31)
- b. Liquidity transformation and bank runs (GLS Ch. 32)
- c. Financial crises and the Great Recession (GLS Ch. 36)

Other materials: Williamson Ch. 17-18

### **The design of class discussion or exercise, practice, experience and so on:**

#### **Homework and Exams:**

There will be one homework assignment each week. Discussion among classmates are encouraged, but copying or free-riding are not allowed. Homework should be handed in on time, and late homework will not be accepted. Once homework is handed, answers will be published online and will be discussed during the tutorial sessions.

There will be one midterm and one final exam, and each will be worth 30 possible points. All the exams are non-comprehensive, closed book and closed notes. It is important for you to arrive on time for exams. If any other student has handed in their answer sheet when you arrive, you will be excluded from taking the exam. You can use a single-line calculator during the exams, but cell phone use is strictly prohibited, and any violation will result in a grade of 0.

#### **If you need a TA, please indicate the assignment of assistant:**

Yes, a TA is needed and will help the lecturer with the attendance, organization of group discussion.

**Grading & Evaluation:**

Homework (Combined): 30%

Midterm: 30%

Final: 40%

Passing grade: 60, below 60 = fail

**Teaching Materials & References:**

Main textbook:

Julio Garin, Robert Lester, Eric Sims, Intermediate Macroeconomics, 2019.

This book has not been published and is available online

[https://www3.nd.edu/~esims1/gls\\_int\\_macro.pdf](https://www3.nd.edu/~esims1/gls_int_macro.pdf)

Other references:

Stephen D. Williamson, Macroeconomics, Pearson Education, 6th Edition, 2017.

Frederic Mishkin, The Economics of Money, Banking, and Financial Markets, Pearson; 12th Edition, 2018.