Economics 200A: Advanced Macroeconomic Theory
2020 Spring Semester

Instructor: Raul Cruz Tadle
Office: Tahoe 3018
Office Hours: Mondays 12:30 PM – 2:45 PM
Wednesdays 9:00 AM – 9:45 AM
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Course Description

The course covers the theories of the determinants of aggregate income, employment, and prices. The foundations of these theories are based on prior empirical research and observations of macroeconomic activity among different nations. These theoretical concepts are discussed in the context of contemporary empirical work on aggregate relationships.

Course Reading

Modern Macroeconomics (first edition) by Sanjay K. Chugh
Additional Readings will be posted on the course Canvas module

Prerequisites

Economics 141 and Economics 200M

Course Location and Schedule

Tahoe 1002
Mondays 5:30 PM – 8:20 PM

Class Policies

A. If you need additional time to discuss the lecture materials, please come by my office during office hours, or email me to ask questions or set up additional appointments.
B. I expect that everyone upholds academic honesty as described by the university:
http://www.csus.edu/umanual/student/stu-0100.htm
Any violation will result to a zero grade for the work with infraction. Repeat violations will be reported to the Office of the Vice President for Student Affairs.
C. Try all of the in-class exercises that are handed out. They not only help better understand course materials, but are also significant components of the lecture participation that I consider when determining class grades.
D. I highly recommend that you attend all lectures. Please come on time and be respectful of everyone in the room.
E. Keep cell phones on silent or off during class.
F. Course materials for the class can be found on Canvas (canvas.csus.edu).

Problem Sets

Problem sets can be accessed through Canvas. Please turn in the hard copy of your submission in the beginning of lecture time. Take note of the deadlines for each of the assignments. I will make announcements about these problem sets as they are released, but do make sure to check the website regularly. Questions on problem sets cover materials discussed in lectures and posted on Canvas.

Referee Reports

These are 2-3 page reports detailing your comments about a macroeconomics research paper posted on the Canvas folder titled "Referee Report Paper choices." Some samples of referee reports will be posted on Canvas. One of the pages of your submission should be a letter to a journal editor while the rest of your submission entails your criticisms as well as your justifications why the editor should accept, request a revise and resubmit, or reject the research project. In your submission on Canvas, include a pdf copy of the research paper you are reviewing. You will be required to turn in two of these reports throughout the semester.

Exams

I. You have about 90 minutes for the midterm and two hours for the final. Make sure to arrive early on exam days. We will be holding discussions on the second half of the midterm day.
II. Bring a simple (non-graphing and non-programmable) calculator, and a few pencils and erasers to the exams. You may bring a ruler, if you wish to do so.

III. Since in-class exam reviews are given prior to the exams, ***no cheat sheets are allowed***.
IV. All electronics, aside from the calculator, must be turned off.
V. There will be no make-up exams. Any student who misses the midterm and who submits a documentation for illness will have the weight of the final exam increase by an additional 25% of the final grade. Failure to submit such documentation within a week of the absence will result to a grade of zero for the missed midterm.
VI. You are required to take the final exam. Missing the final will result to a failing grade.
VII. Make sure to place your full name and student id number on your exam.
VIII. CHEATING IS NEVER TOLERATED.

Grading

The baseline grade breakdown is as follows:

Problem Sets	25%
Midterm	25%
Referee Reports (2)	20%
Final Exam (comprehensive)	30%

Grades are curved based on the overall performance of the class as well as participation during lecture. This curve adjusts the final grades upwards only if the median final grade is below 83.

Services to Students with Disabilities (SSWD)

For those with physical or learning disability that requires accommodation, you need to file an application and submit the appropriate documentation to the Services to Students with Disabilities (SSWD) office at Lassen Hall, Room 1008 (first floor). Once your application is accepted and approved, you will need to notify me with proper documentation as soon as you can so that I could provide the necessary accommodations.

Tentative Course Schedule[1]

Week of 1/27/20

Introductions and Syllabus
Overview of a Simple Economy
Mathematical Methods Review
History of Macroeconomics (Chugh, Chapter 10)

[1] Additional Readings will be posted on Canvas and will be discussed in lectures.

Week of 2/3/20

Static and Dynamic Consumer Choice (Chugh, Chapters 1-3)
Static Labor Choice (Chugh, Chapter 2)
Additional Readings: Blanchard, Jaumotte, and Loungani (2014)

Week of 2/10/20

Building the Dynamic Consumer-Labor Framework (Chugh, Chapters 4-6)
Problem Set 1 due

Week of 2/17/20

Intertemporal Fiscal Policy (Chugh, Chapter 7)
Asset Pricing (Chugh, Chapter 8)
Additional Readings: Ostry, Ghosh, and Espinoza (2015)

Week of 2/24/20

Shocks (Chugh, Chapter 9)
Supply Side Economics (Chugh, Chapter 11)
Phillips Curve (Chugh, Chapter 12)
Additional Readings: Leduc and Wilson (2017)
Problem Set 2 due

Week of 3/2/20

New Keynesian Economics (Chugh, Chapter 13)
Real Business Cycle Framework (Chugh, Chapter 14)
Additional Readings: Gilchrist and Zakrajsek (2012)

Week of 3/9/20

Monetary Policy in the Intertemporal Framework (Chugh, Chapter 15)
Midterm Exam Review
Problem Set 3 due

Week of 3/16/20

Midterm Exam
Discuss Referee Report

Week of 3/23/20

Interactions between Fiscal and Monetary Policy (Chugh, Chapter 16)
Optimal Monetary Policy under Flexible Prices (Chugh, Chapter 17)
Additional Readings: Chari and Kehoe (2006)
Mankiw (2006)
Referee Report 1 due

SPRING BREAK: 3/30/20 – 4/3/20

Week of 4/6/20

Optimal Fiscal and Monetary Policies and Economic Efficiency under Flexible Prices (Chugh, Chapter 18-20)

Week of 4/13/20

Economic Frameworks with Sticky Prices (Chugh, Chapter 22- 24)
Problem Set 4 due

Week of 4/20/20

Financial Accelerator and the Role of Regulatory Policy (Chugh, Chapter 21)
Additional Readings: Bernanke (2007)
Gorton (2012)
Yellen (2017)

Week of 4/27/20

Open-Economy and Exchange Rates (Chugh, Chapter 30 – 31)
Additional Readings: Blanchard (2014)
Borio and Disyatat (2014)
Problem Set 5 due

Week of 5/4/20

Final Exam Review
Referee Report 2 due

Finals: 5/11/20 (5:15 PM – 7:15 PM)

Two-hour Final Exam (Cumulative)