44711 - Macroeconomics II

Instructor: Amineh Mahmoudzadeh, mahmoodzadeh@sharif.edu
Office: Room 113.
Office Hours: Wednesdays 12:30 – 1:00 pm, and by appointment.
Extra Office Hours & Review Sessions TBA before tests.
Phone: 66165863

Teaching Assistance:
Mohammad Mahdi Jafari, khjafari75@gmail.com
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Course Description: Macroeconomics deals with the overall, or aggregate, the performance of an economy. In this course, we will set up an economic model, which will allow us to study how the various quantities and prices are determined and how the quantities and prices respond to shocks and policies. We will study fiscal policy, which describes the government's expenditures, taxes, and fiscal deficits and determinants of monetary policy, how central banks govern the quantity of money, the setting of interest rates, and the role of financial systems. We will cover the open economy macroeconomic models with microfoundations. The last subject is endogenous growth theory (if time allows).

Prerequisites: Microeconomics II, Macroeconomics I

References:
1. *[Wc] Wickens, A Course in Modern Macroeconomics, 2nd ed.
2. *[Rm] Romer, (2019), Advanced Macroeconomics, McGraw Hill, 5th ed.
3. *[Nl] مباحثی از اقتصاد کلان پیشرفته، دکتر مسعود نیلی
4. *[Gl] Galí, (2008). Monetary policy, inflation, and the business cycle.
5. *[Wl] Walsh, (2017). Monetary theory and policy.
6. *[OR] Obstfeld and Rogoff, (1996). Foundations of international macroeconomics.
7. [BF] Blanchard and Fisher, Lectures on Macroeconomics.
8. [GLS] Garin, Lester, and Sims: Intermediate Macroeconomics, 2018.
9. [Kr] Kurlat: A Course in Modern Macroeconomics, 1st ed, 2020.

Course Website:

cw.sharif.edu, https://t.me/joinchat/EZm5revcc4xkYmQ0

Grades:
Problem sets (12-14): 25%
Quiz (2-4): 10%
Midterm (00/08/19): 15%
Final Exam (00/10/28, 9:00): 25% (full coverage)
Final Project (00/11/19): 20%
Class Participation: 5%
Due to realized contingencies, changes in weights (up to 5%) and dates (up to 1 week) may be applied.

Problem Sets:
- Problem sets will be uploaded on Thursdays; the due date is just before class the following week.
- You are supposed to organize groups of 2 and collaborate on solving problem sets, but please consider that each person should submit his/her work.
- Please add the signed "Honor Code" as your homework cover letter.
- In case of copying, all participants get zero for the first time; the next time, the final score of problem sets and quizzes decreases to zero, and for the third practice, the final score would be zero, or you should drop the course.
- There is no extension; please inform me with a valid explanation before the deadline for emergency issues.
- You can drop one problem set.
- If you want problem sets re-graded, please send a request to TA within one week upon returning the problem set.
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Project:
Please pick a paper to reproduce or a subject to expand a model for it. The group should deliver a presentation and a written report by 00/11/20. Topics and main times will be announced.

Teaching Assistants:
There are weekly TA sessions, and TAs will go over the previous problem set and some additional helpful problems. Attending these sessions is highly recommended; otherwise, you may lose many concepts, programming, and technical skills since they complement the class materials. Additionally, the TAs are holding weekly office hours to answer questions. Please try to take advantage of these hours to resolve any problems with the materials or homework.

Communication:
The materials and announcements will be uploaded on the course website and Telegram Channel. Also, we email the necessary announcements. Please, frequently check them.

How to study (from here) :
1. Don't cram. Study over time by keeping up with the reading and exercises.
2. Read or skim chapters before coming to class, then reread after class.
3. Read actively by taking notes and making an outline, and questioning yourself as you read. Note what you do not understand.
4. Stay focused and take good notes in class and try to follow the logic of the explanations.
5. Review notes after class and before the next class.
6. Be able to replicate graphs (shapes, labeling) and understand them, and apply them when a variable change.
7. Work through lots of problems such as chapter problems and homework, and always draw a picture/graph when you can.
8. Find a study partner or study group and explain concepts to each other.
9. Ask me questions, both in class and at office hours, or via email. There is no such thing as a dumb question.

Economics may be considered quite a challenging course because it involves abstract thinking. You will need to spend considerable time preparing for class, reviewing notes, and practicing problems.

How do you know when you know the material?
1. The standard of "knowing" is the ability to explain to others, not just to understand.
2. Deep knowledge means understanding the facts and conclusions and how they are interrelated.
3. Strive for flexible knowledge over rote memorization.

Do not just be familiar with the subjects and vocabulary; develop an ability to recall the material precisely.

Outline and Schedule:

#	Date			Subject	TA Class	Explanation
1	Sunday	28	6	Introduction	-	
2	Tuesday	30	6	The Centralized and Decentralized Economy		
3	Sunday	4	7	The Centralized and Decentralized Economy	PS01	
4	Tuesday	6	7	Real Business Cycles, DSGE Models, and Economic Fluctuations		
5	Sunday	11	7	Real Business Cycles, DSGE Models, and Economic Fluctuations	PS02	
	Tuesday	13	7	Holiday		
6	Sunday	18	7	Real Business Cycles, DSGE Models, and Economic Fluctuations	PS03	
7	Tuesday	20	7	Real Business Cycles, DSGE Models, and Economic Fluctuations		
8	Sunday	25	7	Real Business Cycles, DSGE Models, and Economic Fluctuations	review	Quiz 1- 28/7
9	Tuesday	27	7	Government Expenditures and Public Finances		
10	Sunday	2	8	Government Expenditures and Public Finances	PS04	
11	Tuesday	4	8	Overlapping Generation Models and Further Issues in Fiscal Policy		
12	Sunday	9	8	Overlapping Generation Models and Further Issues in Fiscal Policy	PS05	
13	Tuesday	11	8	The Classical Monetary Model		
14	Sunday	16	8	The Classical Monetary Model	review	Midterm 19/8
15	Tuesday	18	8	The Basic New keynesian Model		
16	Sunday	23	8	The Basic New keynesian Model	PS06	Project: Subject
17	Tuesday	25	8	The Basic New keynesian Model		
18	Sunday	30	8	The Basic New keynesian Model	PS07	
19	Tuesday	2	9	Monetary Policy		
20	Sunday	7	9	Monetary Policy	PS08	
21	Tuesday	9	9	Monetary Policy		
22	Sunday	14	9	Money and Public Finance	review	Quiz 2-17/9
23	Tuesday	16	9	Money and Public Finance		
24	Sunday	21	9	Money and Public Finance	PS09	Project: 1st Presentation
25	Tuesday	23	9	The Open Economy and Exchange Rates		
26	Sunday	28	9	The Open Economy and Exchange Rates	PS10	
27	Tuesday	30	9	The Open Economy and Exchange Rates		
28	Sunday	5	10	The Open Economy and Exchange Rates	PS11	
29	Tuesday	7	10	Endogenous Growth Models		
30	Sunday	12	10	Endogenous Growth Models	PS12	Project: 2nd Presentation

	Date			Subject	TA Class	Explanation
	Tuesday	28	10	Final Exam		9:00 AM
	Tuesday	19	11	Project: Final Presentation		
	Tuesday	24	11	Project: Final Report		