

Advanced Macroeconomics: Introduction

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What Is This Module About?

- This module builds on Intermediate Macroeconomics (ECON20020) to cover more advanced topics in macroeconomics. Though Intermediate Macroeconomics is not technically a prerequisite, the two modules are intended as a sequence to be taken in turn. If you have not taken Intermediate Macroeconomics, I strongly recommend that you do not take this module this term.
- The module will have three parts to it:
 - 1 **Expectations, Monetary Policy Rules and the Zero Bound**

A more advanced treatment of Keynesian macro than the IS-LM model covered in Intermediate Macro. This section will focus on monetary policy rules, the Phillips curve, expectations formation and modelling the “liquidity trap” associated with the zero bound on interest rates.
 - 2 **Rational Expectations in Macroeconomics**

The theory of rational expectations with applications to asset pricing, consumption and exchange rates.
 - 3 **Long-Run Growth**

Theories and evidence on the determinants of long-run growth patterns. Models of pre-industrial economies. Growth and the environment.

A More Formal Approach to Macro Theory

- The approach taken to teaching this material will differ from what you have seen in previous classes.
- Introductory macro is generally taught using graphs. While much of the material in this class will also be illustrated with graphs, some of it won't be and every model that we cover will be a formal mathematical model. In each case, I will use equations to define the model and explain its properties.
- If you are choosing to take this class as an elective and do not like using equations, other elective modules may suit you better.
- I know many students dislike equations. However, I hope to be able to illustrate how we can learn more about economic theories through formal methods than we can from just looking at graphs.
- **Don't Panic:** The assessment this year will be fairly similar to last year and the average score for that class was 62% and the failure rate was relatively low.
- So if some of the material seems extremely hard at first, remember that most of the students in previous classes have mastered the material with practice.

Teaching Materials

- The main course materials will be my lecture notes, available on my website. Go to www.karlwhelan.com and click on “Teaching”. Alternatively, you can just bookmark the class web page, which is <http://karlwhelan.com/blog/?p=759>
- A collection of my lecture notes, imaginatively titled *Lecture Notes on Macroeconomics*, is available in book form on the bottom part of the Teaching tab on my webpage. This can be considered the textbook for the course.
- If a topic is covered in the book but is not in the lecture notes distributed on the class website, then it is not part of the syllabus for this course.
- I will use slides for presenting the material in lectures. I will make these available on the website but they are just for illustrating the material. You might find them helpful for studying and revision but the real course materials are the detailed lecture notes.
- I don't use Blackboard apart from to direct you to my website.
- I will refer to papers and data sources and provide links to them on the course webpage. These can broaden your knowledge of the topics and can provide useful material for answering questions in the final exam.

How the Module Will Work: Assessment

- 30% for a one-hour multiple choice mid-term that will take place on Thursday March 5 at 6PM in the Blackrock Exam Centre.
 - ▶ The test will have 30 questions.
 - ▶ There will be no negative marking.
 - ▶ I will provide samples to illustrate the style of questions in the midterm.
- 70% for final exam. This will have three equally-weighted sections:
 - ▶ **Section A** will feature a choice of different short questions where you are asked to briefly explain an important aspect of the course. You will be asked to pick 5 questions from 10. (40% of the marks).
 - ▶ **Section B** will ask questions about the properties of models taught in the course, focusing mainly on properties that can be explained using graphs. You will be asked to answer 2 questions from 4. (20% of the marks)
 - ▶ **Section C** will also ask questions about the properties of models taught in the course, focusing on some of the more technical material. You will be asked to answer 2 questions from 4. (40% of the marks)
- I will provide more information, such as sample questions, as we go along.

How Your Final Grade Will Be Calculated

Your final grade will be calculated as a weighted average of the **grade points values** of the two exams. See below.

Module Grades	Grade Point (GP) Values
A+	4.2
A	4.0
A-	3.8
B+	3.6
B	3.4
B-	3.2
C+	3.0
C	2.8
C-	2.6
D+	2.4
D	2.2
D-	2.0
E	1.6
F	1.0
G	0.4
NG	0.0

Grade Point Values

The School of Economics uses its own grade-scale for mapping exam scores into letter grades. See below.

GRADE	LOWER	UPPER
A+	90.00	100
A	80.00	89.99
A-	70.00	79.99
B+	66.67	69.99
B	63.33	66.66
B-	60.00	63.32
C+	56.67	59.99
C	53.33	56.66
C-	50.00	53.32
D+	46.67	49.99
D	43.33	46.66
D-	40.00	43.32
E+	36.67	39.99
E	33.33	36.66
E-	30.00	33.32
F+	26.67	29.99
F (FM)	23.33	26.66
F-	20.00	23.32
G+	16.67	19.99
G	13.33	16.66
G-	0.02	13.32
NG	-	0.01

Contacting Me and Feedback

- Office Hours: 12pm to 1pm on Monday, i.e. before class on Monday.
- My office is Room D216 in the Newman Building.
- Feel free to call by if you want to talk about problems you may have with the material. If I'm there and I'm free, I'll be happy to talk. You can also email me to arrange a meeting.
- If you find mistakes or typos in the notes, or just find them confusing, let me know. You will be helping me and future students.
- I do my best to reply to emails as quickly as possible. However, if I don't respond, it's probably because I'm very busy – don't worry about contacting me again and reminding me that I didn't get back to you the first time.
- However, from experience, I find that a large amount of the questions I get asked are easily answered by consulting the class webpage. Do us both a favour and check the webpage first before asking me a routine question.

Questions and Class Rules

- Don't be afraid to put your hand up to ask questions in class. There should be plenty of time for me to stop and take questions if there are issues that people wish to raise.
- You don't need to have a computer open to follow what I'm saying. If you really must have a computer open, please sit at the very back of the class so you are not distracting me or other students.
- Taking holidays with your friends or family or other personal decisions are not sufficient reason to be excused from turning up from the midterm.
- Be aware that a roll will be taken at the midterm so bring your student ID.
- Near the end of the module, you will get the chance to fill out an online feedback form. Completion rates for these tend to be low. I strongly encourage you to fill these out and have your say.