

Advanced Macroeconomics: Introduction

Karl Whelan

School of Economics, UCD

January 2021

How the Module Will Be Delivered

The module will be taught online. Content will be delivered as follows.

1 Live Online Lectures:

- ▶ For most of the term, I will be delivering lectures live on Zoom at the module's scheduled lecture times. There are fixed links for both the Monday and Wednesday lectures that you can access via Brightspace. If you plan on tuning in to the live lectures I recommend saving these Zoom links in your calendar. You will be able to communicate with me during these live lectures via the chat box or asking a question using audio.
- ▶ The lecture slides will generally be made available about one week before the online class.

2 Recordings of Online Lectures:

The live lectures will all be recorded and made available on Brightspace. They will usually be put up a few hours after they are concluded. So don't worry if you can't make the lectures when they are happening.

3 Pre-Recorded Lectures:

To allow people to have plenty of time to work on the essay assignment in the final weeks of term, I will switch from live lectures to pre-recorded ones for the last few weeks of term.

Teaching Materials

- The main course materials will be my lecture notes, available on Brightspace.
- I will use slides for presenting the material in lectures and will post these on the class website. However, these slides are not the lecture notes for the class. The slides may helpful for studying and revision but the material you need to read and study is the detailed lecture notes.
- I will also refer to papers and data sources and provide links to these materials on Brightspace. These materials will help to deepen your knowledge of the topics and can provide useful material for answering essay questions.

Assessment

Your final grade will be based on three components.

- **30%** will be for an online midterm test. The plan is that this will be a live time-limited test, run during the scheduled lecture at noon on Wednesday March 3. I will provide examples of the format of the questions as we go along.
- **35%** will be for a set of short essays to be submitted at the end of the term. I will update the list of essay topics throughout the term.
- **35%** for an online final exam to take place at a scheduled time during the exam period. I will provide samples of the style of questions to be asked as we go along.
- **Late Submission and Plagiarism:** The School of Economics policies on late submissions and plagiarism will be applied in this module. Both are available on Brightspace. Read them.

This is the Gradescale We Will Use

| Alternative Numeric Scale 1 | | |
|-----------------------------|---------|---------|
| <i>40% pass Linear</i> | | |
| Grades | Lower % | Upper % |
| A+ | ≥95 | 100 |
| A | ≥90 | <95 |
| A- | ≥85 | <90 |
| B+ | ≥80 | <85 |
| B | ≥75 | <80 |
| B- | ≥70 | <75 |
| C+ | ≥65 | <70 |
| C | ≥60 | <65 |
| C- | ≥55 | <60 |
| D+ | ≥50 | <55 |
| D | ≥45 | <50 |
| D- | ≥40 | <45 |
| E+ | ≥35 | <40 |
| E | ≥30 | <35 |
| E- | ≥25 | <30 |
| F+ | ≥20 | <25 |
| F | ≥15 | <20 |
| F- | ≥10 | <15 |
| G+ | ≥5 | <10 |
| G | ≥0.01 | <5 |
| G- | ≥0.01 | <0.01 |
| NM | 0 | 0 |
| ABS | | |

How Your Final Grade Will Be Calculated

- The grading scale that will be used for this module is “Alternative Numeric Scale 1”. This is of four officially sanctioned gradescales that can be used at UCD.
- Your final grade is a weighted average of the grade calculation points for the three parts of the assessment.
- The grade calculation point is the mid-point of the range associated with the grade you obtained. To give an example, in this grading scale, a D- is given for obtaining greater than or equal to 40 and less than 45. The grade calculation point for a D- is thus 42.5.
- So, for example, if someone gets a B minus in the midterm and D minus in the final exam, we will calculate final module score of $0.7*72.5 + 0.3*42.5 = 63.5$. This means their final grade will be a C.

Contacting Me

- **Email:** If want to get in touch, you can reach me at (karl.whelan@ucd.ie). I do my best to respond promptly to email queries from students but I will generally limit sending emails to work hours. If I forget to reply to you, just send your email on again (I won't mind). I don't intend to ignore any of your emails but I am usually fairly busy so sometimes I don't get around to replying quickly and then forget.
- **Office Hours:** Starting in week 2, I will hold weekly office hours via Zoom on Tuesdays at 1pm. Again, the link to these office hours is available in Brightspace. They will run like normal office hours, on a first-come first-served basis. I will admit the first person that requests to join the meeting and keep others in the “waiting room” until it is their turn. If a group of you want to meet me together at the same time, let me know and I will admit the group together.
- **Other Meetings:** If the timing of office hours does not work for you, email me and we can set up a Zoom meeting at a different time.

What Is This Module About?

- This module builds on Intermediate Macroeconomics (ECON20020) and 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 four parts to it:
 - 1 **Preliminaries**
A brief discussion of equations focusing on dynamics.
 - 2 **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.
 - 3 **Rational Expectations in Macroeconomics**
The theory of rational expectations with applications to asset pricing, consumption and exchange rates.
 - 4 **Long-Run Growth and Dynamics**
Theories and evidence on the determinants of long-run growth patterns. Modelling economic dynamics. 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:** While some of the material is technical and challenging, the grade distribution for this module is usually similar to other Economics modules.
- I know these are difficult circumstances for studying. I will guarantee now that the grade distribution for this class will not be worse than for previous editions of this module delivered via live lectures.