

Economics, Applied
Course Number: 22:223:591
Course Title: Aggregate Economic Analysis

COURSE DESCRIPTION

This course provides a framework for studying the structure and performance of the overall macroeconomy, the effects of government policies, and the implications for important business decisions. We begin by learning how to measure the performance of an economy in terms of GDP, inflation, unemployment, and other macroeconomic variables. Based on that, we analyze the key factors that determine long-run economic growth and drive short-term business cycle fluctuations. An important part of this course is dedicated to understanding the main components and mechanisms of state-of-the-art frameworks for macroeconomic analysis, as used by the Fed and other important policy institutions. With this background, we are able to investigate the potential effects of macroeconomic policies, and to understand how policy decisions can be evaluated quite differently depending on the underlying assumptions. Finally, the course studies the role and implications of the international environment for the macroeconomy.

COURSE MATERIALS

- Textbook (optional): Macroeconomics, 9th edition, Andrew B. Abel, Ben S. Bernanke, and Dean Croushore, ISBN 0-13-416739-2.
- Slides and other materials will be distributed via Canvas(canvas.rutgers.edu). Please do also check your official Rutgers email account regularly.

LEARNING GOALS AND OBJECTIVES

By the end of this course, students should have the ability to understand and critically assess the implications of real-world macroeconomic events and policies for the US and the global economy as well as for specific businesses. Students should particularly be able to put economic material from secondary sources (such as the Wall Street Journal, The Economist, etc.) into a broader perspective, with the help of a deeper understanding of the underlying economic mechanisms. To this end, they should utilize the macroeconomic analysis tools taught in this course, including the location of economic data, the empirical analysis of such data, and the evaluation of real-world situations through the lens of economic models. By taking this course, students should advance their analytical and critical thinking skills and improve their abilities to communicate about economic concepts in written and in oral form.

PREREQUISITES

Managerial Economic Analysis (22:223:521 / 22:223:581) is a prerequisite for this class.

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>).

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

EVALUATION AND GRADING POLICY

This course uses a combination of assignments, classroom lectures, discussions, and exams to convey the material. Each student is expected to contribute regularly to classroom discussion. There will be one midterm and one final exam.

The final course grade will be allocated according to the following formula:

Class Participation	5%
Individual Presentation	10%
Assignments/Homeworks with Group Presentation (3)	30%
Midterm	25%
Final Exam	30%

Class participation: A portion of your grade (5%) will be based on class participation. Class participation will be graded based on your general participation in class in the form of questions and comments. There will be ample opportunity to contribute to the classroom discussion.

Individual presentation: Each student is required to give a short individual presentation in which she/he provides some information on her/his professional background and insights into the current work focus and interests. The presentation should also include examples of where macroeconomic issues play a role for the student’s work and how a deeper understanding of these issues could help. The dates for these individual presentations will be coordinated within the first two weeks of class.

Assignments: Students are expected to work in teams on the assignments/homeworks – each team should only turn in one copy of an assignment. Please form groups of 2 in the first two weeks of classes and send me an email to register your team. Students who have not found a group within the first two weeks will automatically be assigned to a team.

All assignments must be submitted on time except in extraordinary circumstances. All late submissions are at the full discretion of the instructor and may be subject to a penalty. For successful completion of an assignment, students are required to attend the presentation session (held on the same day that the assignment is due, see course schedule below) and to present their work in case their team is selected.

Midterm and final exam: The midterm and the final exam will be closed book and closed notes. You will be allowed to use a non-programmable calculator (not a computer, smart phone, etc.).

The final exam is cumulative and places more weight on the second half of the course, which builds on the contents of the first half.

COURSE SCHEDULE

<u>Date</u>	<u>Topic</u>	<u>Items Due</u>
	<i>I. Introduction to Aggregate Economic Analysis</i>	
	Course overview and introduction	
	Measuring the economy	Team registration
	<i>II. Economic Growth and Business Cycles</i>	
	Productivity and aggregate output	
	The Solow model	
	Growth policy	Assignment 1
	<i>III. Macroeconomic Analysis</i>	
	Households, firms, and policy-makers	
	Macroeconomic general equilibrium analysis	
	Midterm review	
	<i>IV. Fiscal and Monetary Policy</i>	
	Analysis of fiscal policies	
	Analysis of monetary policies	Assignment 2
	<i>V. The International Economy</i>	
	International trade, restrictions, and agreements	

Capital flows and the balance of payments
Monetary policy, exchange rates, and the trade balance

Assignment 3

Final review
Final Exam

SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of **legal** services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to **English as a second language (ESL)** should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]