

**University of Wisconsin – Stevens Point**  
**Macro Theory**  
**Stefan Ruediger**  
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**Introduction:**

A course in Macro Theory builds upon the basics that were established in Principles of Macroeconomics. Hence a course in Macro Theory covers topics such as monetary policy, fiscal policy, unemployment, and inflation. However, these topics will be covered in more detail, with more extensive use of mathematical, statistical, and graphical tools.

**Course Requirements:**

The required text book is “**Macroeconomics**” by **Olivier Blanchard, 5th edition**. It is available at the UWSP-bookstore. A tentative reading schedule is on the next page.

The material builds upon itself, so keeping up to date with the readings and lectures is very important. Typically, lectures will extend the results from the previous class. If there are concepts that you find confusing, please ask for help as soon as you can!

You will need to have access to the Internet for course work, since I will post important information, assignments and problem sets online using D2L. If you do not know how to use D2L please let me know as early as possible.

**Learning Objectives:**

- Understand the differences between long-run and short-run behavior of economic variables
- Development of an ability to apply economic models of aggregate supply and aggregate demand to analyze the current economic situation
- Explain determinants of output, unemployment, and inflation

**Grading:**

Homework assignments (after conclusion of each chapter – starting with Ch. 3)	20%
Exams (4)	80%

No make ups will be permitted, except under extraordinary circumstances **and** with **prior** permission. If you will be absent the day of an exam or quiz, then please contact me **beforehand** to determine if special alternative arrangements can be made. If you miss an exam or quiz for medical reasons and present sufficient and verifiable documentation, then an alternative grading policy will be designed. If you miss an exam or quiz for *any* other reason, then a grade of zero will be given for that exam or quiz.

**Final Exam:** Tuesday, May 17th 19:15-21:15

**Grading Scheme:**

100-96%	<b>A</b>	89-86%	<b>B+</b>	77-72%	<b>C+</b>	59-55%	<b>D+</b>
95-90%	<b>A-</b>	85-82%	<b>B</b>	71-66%	<b>C</b>	54-50%	<b>D</b>
		81-78%-	<b>B-</b>	65-60%	<b>C-</b>		

## **Course Outline**

(depending on the progress of the class)

Tuesday, January 25, 2011	A Tour of the World + A Tour of the Book & The Goods Market
Tuesday, February 01, 2011	Financial Markets
Tuesday, February 08, 2011	Goods and Financial Markets: ISLM Model
Tuesday, February 15, 2011	<b>EXAM 1</b>
Tuesday, February 22, 2011	The Labor Market
Tuesday, March 01, 2011	The AS-AD Model
Tuesday, March 08, 2011	The Natural Rate of Unemployment and Phillips Curve
Tuesday, March 15, 2011	<b>Exam 2</b>
Tuesday, March 22, 2011	SPRING BREAK
Tuesday, March 29, 2011	Expectations: The Basic Tools
Tuesday, April 05, 2011	Expectations, Consumption, and Investment
Tuesday, April 12, 2011	Expectations, Output, and Policy
Tuesday, April 19, 2011	<b>Exam 3</b>
Tuesday, April 26, 2011	Openness in Goods and Financial Markets
Tuesday, May 03, 2011	The Goods Market in an Open Economy
Tuesday, May 10, 2011	Output, the Interest Rate, and the Exchange Rate

### **Academic Integrity:**

Academic Integrity refers to the “integral” quality of the search for knowledge that a student undertakes. The work a student produces, therefore, ought to be wholly his or hers; it should result completely from the student’s own efforts. A student will be guilty of violations academic misconduct if he/she a) knowingly represents work of others as his/her own, b) uses or obtains unauthorized assistance in the execution of any academic work, or c) gives fraudulent assistance to another student. For a complete definition of Academic Misconduct and a list of Students Rights and Responsibilities please refer to: <http://www.uwsp.edu/admin/stuaffairs/rights/rightsChap14.pdf> and <http://www.uwsp.edu/admin/stuaffairs/rightsandresponsibilities.aspx>

### **Disability Services:**

The University offers several different services for students with Disabilities; for further information please do not hesitate to contact me. You can also have a look at the following website to get more information about the services that the university offers:

<http://www.uwsp.edu/special/disability/student/Student%20Information.aspx>