

YALE UNIVERSITY
DEPARTMENT OF ECONOMICS

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Class website:
<http://fairmodel.econ.yale.edu>
Office Hours:
Regular: Tu, 11:45-12:45, Th, 3:00-4:00
On the Run: M-F, 7:00am,
30 Hillhouse Ave., call ahead
Class Time: Tu, Th, 1:00-2:15

Economics 116a
Fall 2017

This course is an introduction to macroeconomics. Introductory microeconomics is a prerequisite. The text is Case, Fair, and Oster, *Principles of Macroeconomics*, twelfth edition, which is available at the Yale book store. Additional readings and material will be posted on the class website during the course of the semester. You should read each day the macro news of the day.

The class website is *fairmodel.econ.yale.edu*.

Course requirements are weekly problem sets, a midterm, and a final exam. The problem sets will be graded and will count for 20% of the final grade. The midterm exam will be given during class time and is scheduled for Tuesday, OCTOBER 17. It will count for 30% of the final grade. The final exam will count for 50% of the final grade. The final exam is administered by Yale College.

Part of the problem sets will have you working with a macroeconomic model of the U.S. economy. This model is on the class website. You will be asked to do policy and forecasting experiments using the model.

The main aim of the course is to provide you with a good understanding of how the macroeconomy works. There is a mixture of theory and application of the theory to current economic events.

Days	
1,2,3	August 31, September 5, 7 Introduction, The Data, Macroeconomic Problems, Growth Chs. 5, 6, 7
4,5	September 12, 14 The Multiplier Model – The Goods Market Chs. 8, 9
6,7	September 19, 21 The Money Market Ch. 10
8,9	September 26, 28 The AS/AD Model Ch. 11
10	October 3 Policy Effects and Cost Shocks in the AS/AD Model Ch. 12
11	October 5 The Labor Market Ch. 13
12,13	October 12, 14 Macroeconomic Issues, the Stock Market, Review for Midterm Ch. 14
14	MIDTERM EXAM: OCTOBER 17

15–18	October 24, 26, 31, November 2 Household and Firm Behavior in the Macroeconomy A U.S. Macroeconometric Model: Policy Effects Ch. 15, class website
19–22	November 7, 9, 14, 16 Open Economy Macro Ch. 19, class notes
23,24	November 28, 30 Economic Growth, Other Approaches Chs. 16, 17
25	December 5 Development, Research Methods Chs. 20, 21
26	December 7 Review