Econ 6002: Macroeconomic Analysis

Course Outline

Purpose: This course is on advanced macroeconomics, that is, phenomena such as inflation, unemployment, economic growth and exchange rates. Prior knowledge will be assumed about such things as IS-LM analysis and the AD-AS model.

Possible Instructors: Paolo Giordani, Geoffrey Kingston, Glenn Otto.

Workload Expectations: It is expected that you will spend at least ten hours per week studying this course. This time should be made up of reading, research, working on exercises and problems and attending classes. In periods where you need to complete assignments or prepare for examinations the workload may be greater.

Assessment: Assessment in this course will be as follows:

- Review essay (see below): 25%
- Midterm examination: 15%
- Final examination: 60%

Your review essay will consist of a summary and appraisal of any of the articles listed below with a dagger against it. Each student will be expected to review a different article, and these will be allocated on a first-come first-served basis. Before writing up your review article, you will be expected to present a 10-minute summary of it to your classmates (thereby gaining helpful feedback). Use two or three overheads in your presentation. In the event your presentation exceeds 15 minutes in length, excess minutes (over 15) will incur a penalty. Hand in your written review within three weeks of your oral presentation; please keep a copy. Your written review should not exceed 1600 words in length.

Your midterm examination will be 50 minutes in duration, and will be based on exercises handed out for weeks 1 to 7 of the course. There will be limited choice of questions.

Your final examination will require you to answer three essay-type questions in two hours. There will be substantial choice of questions.

Reading Assignments

I. Week 1: Introduction to Macroeconomics: International GDP Comparisons, Business Cycles, Expectations and Forecasting

(8) Romer Chs 4 and 5.

II. Week 2: Consumption and Saving

(8) Romer, Ch. 7.
III. Week 3: Fiscal Policy


(11) Romer, Ch. 11.

IV. Week 4: Monetary Policy

(1) MacFarlane, I., “Australian Monetary Policy in the Last Quarter of the Twentieth Century, Economic Record 75, September 1999, 213-224.


(6) Romer, Ch. 10.

V. Week 5: Asset Prices


VI. Week 6: Employment and Welfare Policy


VII. Week 8: Economic Growth


(5) Romer, Chs 1 and 3.

VIII. Week 9: Optimal Growth and the Ramsey Model

(2) Romer, Ch 2. Part A

IX. Week 10: More on Fiscal Policy


(5) Romer Ch 11

X. Weeks 11-13: More on Monetary Policy


(5) Romer Ch 10