

**Kellogg School of Management
Northwestern University**

**MACROECONOMICS
EMP 75 Winter 2009**

Professor Janice Eberly
4206 Andersen Hall
eberly@kellogg.northwestern.edu

phone: 847/467-1840
fax: 847/491-5719

Course Description

Macroeconomics studies the national and international economy - the business environment for every firm and investor. While this is by definition a huge subject, we will focus on the foremost topics. First, we'll establish the structure of the economy and measurement of economic performance. We then turn to analysis of the economy in the long run, and what determines long-run growth. Here, we'll pay particular attention to productivity and the underpinnings of growth in the developing world and emerging markets. Then, we'll consider government economic policy. The two main macroeconomic policies are monetary policy, managed by the Central Bank, and fiscal policy, or government spending and taxation. Finally, we'll wrap up by considering the current global business cycle and imbalances across countries.

Text and Supplementary Readings

Required:

Textbook: Andrew Abel and Ben Bernanke, Macroeconomics, Addison Wesley Longman, Inc., 6th Edition, 2008.

Case Packet: The case packet contains my teaching notes and articles to supplement the textbook readings. The text book readings and teaching notes are *required* readings; other articles are generally optional (marked by an asterisk *). Additional readings will be posted on the course web site on Blackboard.

You should bring your nameplate to each class, and have it out throughout the quarter.

Recommended:

A copy of the presentation slides for each lecture will be available each class. Make sure that you obtain these slides, as they will structure your in-class notes and reduce the pace of note-taking during class.

Tutorials

The teaching assistant will conduct tutorials to go over the problem sets and cover additional questions. Details will be posted on the course web site.

Supplementary Information

Up-to-date information and announcements will be kept on the course web site, where you can always check for current course information. Announcements and any additional course materials will be posted there. The web site will be maintained on the Blackboard system.

Required Assignments and Grading

Problem Sets: There will be two group problem sets during the term. These are intended to help you keep up-to-date on the material as the course proceeds. Hence, they will be turned in each time we meet, covering the material from the previous sessions. Each problem set is worth 10% of your grade, for a total of 20% of your grade from the problem sets.

Country Analysis: Each group will be asked to provide an **analysis** of the current macroeconomic situation and performance in a country of their choice. This assignment is intended to be an application of the tools learned in class, so analysis (rather than just description) is emphasized. The format and requirements for this assignment are posted on the course web site. The grade for this group project will be 35% of your final grade.

During our last class meeting, three of the groups can give a 20 minute presentation of their analysis to the class, in lieu of writing up the paper. I expect the content to be equivalent to what is described for the paper, with supporting analysis and documentation. These three groups can turn in their presentation slides instead of a paper. Please submit a proposal if you'd like to do this (a one page description of your country and why it's interesting) and I'll choose three.

Final Exam: A take-home final exam will be held after the last class of the term. This exam will be worth 45% of your final grade. There is an old exam in the case pack, with solutions, to give an indication of the structure of the exam. Details on the logistics of the exam will be posted on the course web site.

The Kellogg Honor Code strictly applies. Exams must be completed independently and within the allotted time. Only the specifically allowed materials may be used and nothing else. On the homework and group project you can consult with any other class members and refer to all class materials.

Assignment due dates are non-negotiable – in the interest of fairness and as required by the honor code, all students should face the same set of deadlines. If you foresee a problem, do let me know immediately.