

**Primary Instructor:** Daniele Tavani, Associate Professor, Department of Economics

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Office Hours: MW 2-3.30 or by appointment, via **Zoom**.

My Personal Meeting ID is 8761738946. The password is: NoZoomBomb

Lecture meets: MWF 1-1:50, Eddy 5

## Course Description

This course builds on students' previous knowledge of introductory and intermediate macroeconomics in order to: (a) understand the rationale behind policy intervention in the economy; (b) develop competence in evaluating the impact of different economic policies (monetary policy, fiscal policy, and so on) on the economy using economic models, and (c) analyze a recent example of economic policymaking. Essential elements of the course are extensive references to current macroeconomic developments, as well as applications of macroeconomic models to current policy issues, both in the United States and the European Union (EU).

## Course Objectives

By the end of the course, the successful student should be able to:

1. Use modeling and data analysis tools to prepare a written analysis of macroeconomic policymaking.
2. Make oral presentations of policy platforms pertaining to the 2020 US Presidential Campaign.
3. Use economic data and theory to evaluate the motivation, implementation and effectiveness of relevant macroeconomic policies.

## Prerequisites

### ECON304

Intermediate Macroeconomics is a prerequisite for this course, and the prerequisite will not be waived for any reason. The instructor assumes you are familiar with the material presented in typical Intermediate Macro courses, such as: Income-Expenditure Model, IS-LM model, AD-AS model, the Solow growth model, as treated (for example) in books such as Blanchard, Macroeconomics 8th Edition, Pearson.

Nevertheless, I will spend some time reviewing workhorse models before diving into in-depth analysis of fiscal policy, monetary policy, or growth policy.

## Math Proficiency

Good math skills (especially calculus) are very important for success in this course. A fresh familiarity with these tools is expected of students. However, I will make sure to get everyone up to speed in case students feel like their calculus skills are rusty or insufficient.

## Required Text and Course Material

The textbook for the course is: Benassy–Queré, A., Coeuré, B., Jacquet, P., and Pisany–Ferry, J. 2020. **Economic Policy: Theory and Practice, Second Edition**. Oxford University Press. ISBN 978-0-091210-9.

Additional material of relevance to the class will be made available through Canvas. Any additional material made available is required reading for the course.

## Required Work

This section lists minimal expectations about contact hours for this class. You should expect to work for this class a minimum of 7.5 hours a week outside of class time.

Activity	Hours per week
Attend class	2.5
Read assigned readings/ review class notes	2.5
Read News	1.0
Homework	2.0
Exam preparation	2.0
<b>Total</b>	<b>9</b>

## Evaluation

Your course grade will be determined based on the standard 100 percentage point scale, distributed as follows:

Evaluation Item	Points
Participation & Attendance	10%
Assignments (7)	35%
Exams (3)	50%
News Presentations	5%
<b>Total</b>	<b>100%</b>

- **Attendance & Participation (10% of the grade)**

- Attendance is expected. Due to the challenging nature of the course material, absences will be very detrimental to students' outcomes. This is a theoretical course with real world relevance and participation is crucial for fully engaging in the material.

Remember that per University Fall 2020 policy, **all courses will move online after Fall Recess**. Starting November 30, the course lectures will be delivered synchronously via Zoom (see above for Meeting ID and Password) at the same time of the regular class.

- Active participation in class is critical for this course. Your questions and comments during class help not only yourself, but others to learn and understand. Please participate actively. Part of participation will include incorporating current events into the class discussion. Please try to avoid distracting others by refraining from private conversations during class, by not texting, by silencing your phone, by not

coming to class late, and by not leaving class early. Your full cooperation will make this a profitable and enjoyable course. Playing with your phone during class, for instance, will result in losing the whole amount of points available for class participation.

- **News and 2020 Presidential Campaign (5% of the grade)** Students are expected to follow the news and the 2020 US Presidential Campaign on a regular basis. Because this course is highly relevant to real world issues, being up to date on current events adds to what students take from this course and enhances group discussions. All students pursuing a college degree should be following a reliable news source with economic relevance independently of the expectations from this class. Students will be randomly assigned a day to present a brief (5- or 10-minute) summary of a policy-relevant aspect of the 2020 US Presidential Campaign; this presentation will count towards 5% of the grade. Additionally, students may be called on in class with questions about how concepts discussed relate to current events.
- **Homework Assignments (35% of the grade)** Assignments are meant to evaluate students' overall understanding of the issues presented in class. A typical assignment will mostly involve mathematical exercises. Yet, occasional essay questions are to be expected. Unless otherwise specified, assignments will be due turned in Friday at the beginning of class and **no late submissions will be accepted**. The following is a list of due dates for assignments:

Assignment 1 - Introductions: Wednesday, August 26

Problem Set 1: Friday, Sept. 4

Problem Set 2: Friday, Sept. 18

Problem Set 3: Friday, Oct. 2.

Problem Set 4: Friday, Oct. 30

Problem Set 5: Friday, Nov. 13

Problem Set 6: Friday, Dec. 4.

- **Exams** There will be three exams. Exams will be mostly non-cumulative. They will be cumulative in the sense that material learned early in the semester will be crucial for understanding concepts covered later in the semester. Exams 1 and 2 will be in class and worth 15% of the grade. Exam 3 will be worth 20% of the final grade, and will be administered synchronously via Zoom.

Exam 1 (15%): Friday, Oct. 16, 11-11.50am

Exam 2 (15%): Friday, Nov. 20, 11-11.50am

Exam 3 (20%): Friday, Dec. 18, 7.30-9.30am

- **Readings** Doing the readings from the assigned text before coming to class is crucial for a successful group learning experience. Due to the advanced nature of the course it is not possible to cover all material in lecture. **Students will be held accountable for material from the assigned readings not necessarily covered in class.** This is a 400 level course and as such students are responsible for learning on their own outside of lecture. In addition to the assigned textbook there will be other readings posted on Canvas.

## Grading Scale

Below, a table summarizing the grade corresponding to each interval of accumulated points through the semester. The instructor reserves the right to lower the number of points required for any grade.

Grade	Percentage	Grade	Percentage
A+	98-100	B-	80-83.2
A	93.3-97.9	C+	76.7-79.9
A-	90-93.2	C	70-76.6
B+	86.7-90	D	60-69.9
B	83.3-86.6	F	Less than 60

## COVID19–Related Information

**Important information for Students:** All students should fill out a student-specific symptom checker each day before coming to class <https://covidrecovery.colostate.edu/daily-symptom-checker/>. In addition, please utilize the symptom checker to report symptoms, if you have a positive test, or exposed to a known COVID contact. If you know or believe you have been exposed or are symptomatic, it is important for the health of yourself and others that you report it through this checker. You will not be in trouble or penalized in any way for reporting. If you report symptoms or a positive test, you will receive immediate instructions on what to do and CSU's Public Health Office will be notified. Once notified, that office will contact you and most likely conduct contact tracing, initiate any necessary public health requirements and/or recommendations and notify you if you need to take any steps. For the latest information about the University's response, please visit the CSU COVID-19 site <https://covidrecovery.colostate.edu/>.

## Missed Exams or Assignments

If you must unexpectedly miss an exam or assignment due date, you must present **written evidence** of a medical or family emergency in order to take the exam or submit the assignment at a later date. If you know in advance that you will be unable to take a exam or meet an assignment due date, contact the professor as soon as possible to make other arrangements. In general, with an acceptable reason, such as a university sanctioned activity, you may be able to arrange to take a exam or submit an assignment early, but never late.

## Accommodation For Students With Disabilities

If you require special accommodation to complete the requirements of this course, please provide documentation and verification from the office of Resources for Disabled Students (see <http://rds.colostate.edu/>). The student is responsible for obtaining the appropriate verification and paper work.

## Academic Integrity

This course will adhere to the Academic Integrity Policy of the General Catalog and the Student Conduct Code. As per university policy, "Any student found responsible for having engaged in academic dishonesty will be subject to academic penalty and/or University disciplinary action". (General Catalog 2012-2013, 1.6, p. 8). Any academic

dishonesty in this course may result in a grade of “F” for the course and may be reported to the Office of Conflict Resolution and Student Conduct Services.

Please be aware that the General Catalog specifically identifies the following examples of academic dishonesty: cheating in the classroom, plagiarism, unauthorized possession or disposition of academic materials, falsification, and facilitation of cases of academic dishonesty.

Plagiarism is defined as follows: “Plagiarism includes the copying of language, structure, ideas, or thoughts of another, and representing them as one’s own without proper acknowledgment. Examples include a submission of purchased research papers as one’s own work; paraphrasing and/or quoting material without properly documenting the source” (General Catalog 2012-2013, 1.6, p.8).

While you are not required to sign the honor pledge, I will ask each of you to write and sign the following statement on the sections of your papers and the final version of the paper that you submit:

**“I have not given, received, or used any unauthorized assistance.”**

## Classroom Climate

We live in difficult, tense times. Some of the topics analyzed in the class can be considered as polarizing, “hot-button” issues. I am deeply and unambiguously committed to Academic Freedom. As per CSU’s policy however, academic freedom and freedom of speech are not the same thing. The difference is rendered crystal clear on [this page](#):

According to CSU policy on Freedom of Speech, classrooms have different rules than public areas. Classrooms are considered non-public areas that is, places “normally not intended to be open to the general public for purposes of expressive activities or gatherings. Non-public areas do not fall under the same policies about free speech that public areas do.

That means that certain types of speech allowed in the plaza are not allowed in classrooms, including demonstrations, amplified sound, and signage, as well as any activity that interferes with academic or operational functions. **Discriminatory or harassing speech are also not allowed.**

We will spend a considerable amount of time during the first class (or more if needed) to set ground rules for expressing our ideas in this course. My goal is to create an environment where everyone feels supported in their learning and free to speak their mind without disrespecting other students’ feelings and ideas.

## Class Topics

To facilitate learning, each topic will be arranged as a separate Module through Canvas. More detailed instructions about readings and assignments will be made available throughout the semester.

1. Basic concepts. Approaches to policy making. The whys and hows of public intervention. Evaluation criteria for policymaking (Chapter 1, Lecture Notes).
2. Policy tradeoffs: the loss function approach to policymaking with examples. Challenges to policymaking (Chapter 2, Lecture Notes)
3. Interdependence in Policymaking (Chapter 3, Lecture Notes)
4. Fiscal Policy: theories and case studies (Chapter 4, Lecture Notes).

5. Monetary Policy: theories and case studies (Chapter 5, Additional Readings, Lecture Notes).
6. Growth Policy: theories and case studies (Chapter 9, Lecture Notes).
7. Inequality and Redistribution: theories and case studies (Chapter 8, Additional Readings on Canvas, Lecture Notes).
8. Covid-19 and Macroeconomics (Additional Readings on Canvas).