



INTERMEDIATE MACROECONOMICS II
ECON 2003 (Semester II - 2020/2021)
Department of Economics
The University of the West Indies - Mona

Lecturer: Samuel Braithwaite (samuel.braithwaite@uwimona.edu.jm)

Class Times: Wed. 10:00 AM - 11:55 AM

Fri. 9:00 AM - 10:55 PM

Office Hours: Mon. 10:00-11:00, Fri. 11:00-12:00, or by Appointment

All classes, tutorials and office hours will be held online.

Prerequisite: ECON 2002

Course Description:

This course is the second part of the intermediate macroeconomics sequence. In the first intermediate macroeconomic course (ECON 2002) short run and long run analyses were done within the IS-LM/AD-AS framework. This course emphasises the modern approach to macroeconomics. However, to ensure a smooth transition from the first course, and to cover important topics such as open economy analysis, the traditional approach is used initially. The course then transitions into the modern approach to macroeconomics. While this is a theoretical course, reference will be made to macroeconomic issues affecting Jamaica and the wider world.

Learning Outcomes:

Upon completing this course, the successful student should be able to:

- Explain and work with the Mundell-Fleming Model.
- Work with a simple dynamic macroeconomic model.
- Explain how aggregate consumption is determined.
- Discuss the different theories surrounding inter-temporal consumption decisions.
- Describe the relationship between investment and the interest rate.
- Explain how the level of investment changes.

Modes of Delivery:

Two lecture hours and one tutorial hour per week. Problem sets (not for grading) will be provided via OURVLE, and are necessary for practising relevant problems. Supplemental material will be provided through OURVLE.

Assessment:

Mid Term Exam - 40%

Final Exam - 60%

Course Outline:

Dates	Topics/Information	Readings*
Week 1	The ISLM-Model Reviewed	Chapter 11
Week 2	The ISLM-Model Reviewed	Chapter 12
Week 3	The Mundell-Fleming Model	Chapter 13
Week 4	The Mundell-Fleming Model Cont'd	Chapter 13
Week 5	Inflation & Unemployment (Ash Wednesday Holiday for Wednesday Section)	Chapter 14
Week 6	Dynamic Macroeconomic Model	Chapter 15
Week 7	Dynamic Macroeconomic Model Cont'd	Chapter 15
Week 8	Mid Term Exam (tentatively)	Chapters 11-14 & Problem Sets 1-4
Week 9	Consumption	Chapter 16
Week 10	Consumption Cont'd	Chapter 16
Week 11	Investment (Good Friday Holiday for Friday Section)	Chapter 17
Week 12	Exam Revision	All Chapters
	Final Exam	ALL Chapters

* All chapters are taken from the official textbook.

Extra notes and articles will be provided where necessary and posted to OURVLE.

Resources:

Required Textbook: Macroeconomics - Mankiw, Gregory (8/E)

Recommended Textbook: Macroeconomics - Abel, Bernanke, & Crushore (7/E)

Extra reading: *The Economist* and *The Financial Times*.

“The theory of economics does not furnish a body of settled conclusions immediately applicable to policy. It is a method, rather than a doctrine, an apparatus of the mind, a technique which helps its possessor to draw correct conclusions.” ~ John Maynard Keynes