

Econ 302. Intermediate Macroeconomic Theory

Spring 2025

Lewis and Clark College

Department of Economics

Time: TTH: 08:00AM - 09:30PM

Location: Howard 122

Prerequisite: ECON 100, MATH 115

Credits: 4

Website: Log on Moodle

Instructor: Éric Tymoigne

Office Hours: T/TH 11:30AM-1PM or by appt.

Office: Howard 323 or Zoom

Email: etymoigne@lclark.edu

Phone: 503-768-7629 (no message, email instead)

Required Textbook: *Macroeconomics*: by William Mitchell, L. Randall Wray and Martin Watts. London: Red Globe Press.

Recommended books:

-*The General Theory of Employment, Interest and Money* by John M. Keynes, Harcourt Brace, 1936.

-*Keynes: The Return of the Master* by Robert Skidelsky, PublicAffairs, 2009.

-*The Great Depression and the New Deal: A Very Short Introduction* by Eric Rauchway, Oxford, 2008.

Course Description: This course analyzes economic trends that occur at the level of a nation. Employment, economic activity, inflation, financial crises and income/wealth distribution are major macroeconomic topics and this course analyzes them mostly through the lens of the framework developed by Keynes and its followers. The course starts with a study of the theoretical and economic context in which Keynes's theory emerged. The (neo)classical theory basic hypotheses, logic and policy conclusions are analyzed in details in relation to the macroeconomic topics. The second part of the class present Keynes's framework and compares and contrasts it to the (neo)classical framework. It also presents how full employment policy was abandoned and how relevant such policy still is today. The third part of the class focuses on broader issues and recent development in macroeconomics. The course will emphasize the importance of monetary sovereignty, or lack thereof, for macroeconomic analysis and its implication for government policy.

Course content and organization: This is a lecture-based class that is highly theoretical but grounded in the analysis of data. The class also links the theoretical development to major economic events to help students understand why economic theories change overtime. You should expect to receive four or five assignments, two midterms and a final. There is no group project or writing assignment in this class.

Course Goals: The course has several goals: 1) to develop critical thinking 2) to help students understand different interpretations of how the economic system works 2) to provide a solid foundation to understand current economic events.

Students Learning Outcomes: At the end of this class, you should be able to 1) have a good understanding of the debates that exist in macroeconomics in terms of both policy and theory. 2) to compare and contrast different schools of thought, 3) to explain what reasoning justifies a policy recommendation, and 4) to develop a critical view of the theories that are presented in class.

Expectations: You are expected to participate and to focus on the lecture (turn off your cellular phone, have the appropriate material, do not chat, arrive on time, etc.). Moreover, students are expected to read the assigned material before the lecture. Do not hesitate to ask questions, to make pertinent remarks, or to give your opinion about a concept presented in class; this may lead to a fruitful discussion. If you have any problems regarding the class, you can come to my office or you can send an email to me. In the latter case, if appropriate, I will reply by sending the answer to all the students of the class. I also expect you to work on your assignment well in advance of the deadline and to come to office hours regularly to make sure that you are on the right track (if not I will guide you toward the right track). All test will cover what was done in class and in the assignment in one way or another. Tests may include questions that were not in the assignment and it may be something that asks you to think about what you learned (e.g., analyze data not covered in class with the economic frameworks you have studied) but you will have learned enough to answer it. The point is to see if you understand how the material applies beyond to confine of the class by following the logic of a theoretical framework.

Grade: Grades will be determined in the following way (rounded to the first decimal, e.g., 93.94 is a 93.9 so A-, 93.95 is a 94 so A):

<i>Numeric Score</i>	<i>Letter Grade</i>
94 – 100	A
90 – 93	A-
86 – 89	B+
78 – 85	B
73 – 77	B-
68 – 72	C+
64 – 67	C
60 – 63	C-
50 – 59	D
0 – 50	F

The following weights will be applied (all elements are worth 100 points):

Participation: 10%

Assignments: 35%

Midterm #1: 15%

Midterm #2: 15%

Final Exam: 25%

It is your responsibility to keep all records of work done, emailed correspondences, and grades obtained. This will come handy if you think your grade is not accurate.

Assignments: Most of them are not easy and require quite a bit of work to complete properly. Some of the questions also go beyond what we cover in class and ask you to extrapolate what was done in class or to cover on your own. Don't expect to finish them quickly in a satisfactory manner. I expect you to read the chapter of the lecture (the extra help you need to complete the assignment is often there) and to see you in office hours regularly (I think it will be hard to finish most assignment on your own, if not hard, remember you can come to check your answers with me). Here is the expected work pattern for an assignment:

- 1- You glance at the assignment the day it is posted and flag things that seem difficult

- 2- You work on it completely for the next few days. Work on what seems to be easier first.
- 3- You come to see me with questions
- 4- You integrate what we talked about in your answers
- 5- You may come for a second round of office hour if you want.

You are encouraged to work in groups in order to complete the assignments, i.e. you are free to talk to each other and to figure out the main points that should be included in the answer. However, if an answer in the form of an essay is required, *your answer must be personal*: you must not copy and/or paste the answer of someone else, or only change a few words. By writing an essay in your own words, you will get a better understanding of the concepts we will have studied in class.

Final exam: The final is comprehensive that requires at least two hours to complete. *For the final*, I authorize you to bring two pages of notes written or typed on one sheet of paper (letter format). You can write or type as much information as you want as long as you can read it without the help of unusual means. I will check the pages before the final; if you put your notes on two different sheets of paper, you will have to choose one of them. The information on the sheet can only come from your notes or from the assigned readings (i.e. you cannot copy anything from your assignments). Put your name on the sheet of notes because I will take it at the end of the final.

Participation: Participation is based on involvement in class, that is, answering questions, asking questions, making pertinent remarks. Involvement also means doing the required work on time, reading the syllabus carefully before asking a question regarding the course, and coming to my office if you have a problem to understand what was discussed in class. Attending the class is also part of participation but perfect attendance only will not give you 100% of the participation grade. The participation grade is calculated in the following way: 40% for attending the class, 15% for paying attention, for reading your syllabus before asking an administrative question to me, and for completing your work on time, 45% for answering questions, asking questions, making relevant comments (a relevant comments is not necessarily a valid statement; it may be incorrect but it may help to enlighten the discussion), and participating to discussions.

Attendance: Attendance is mandatory. I will take roll at the beginning of every lecture, and, if you miss more than one session, I will discount your participation grade.

Make-up exams: Make-up exams will not be granted unless you can provide a written justification from the relevant person (doctor, coach, etc.) that explains why you could not take the scheduled exam.

Academic Integrity. According to the Lewis & Clark College's Academic Integrity Policy: "Acts of academic dishonesty involve the use or attempted use of any method or technique enabling a student to misrepresent the quality or integrity of his or her academic work. Academic dishonesty with respect to examinations includes but is not limited to copying from the work of another, allowing another student to copy from one's own work, using crib notes, arranging for another person to substitute in taking an examination, or giving or receiving unauthorized information prior to or during the examination. Academic dishonesty with respect to written or other types of assignments includes but is not limited to: failure to acknowledge the ideas or words of another that have consciously been taken from a source, published or unpublished; placing one's name on papers, reports, or other documents that are the work of another individual, whether published or unpublished; flagrant misuse of the assistance provided by another in the process of completing academic work; submission of the same paper or project for separate courses without prior authorization by faculty members; fabrication or alteration of

data; or knowingly facilitating the academic dishonesty of another.” During in-class exams, cheating will result in an immediate F for the exam and plagiarism will result in severe sanctions.

Students with Disabilities: If you have a disability that may impact your academic performance, you may request accommodations by submitting documentation to the Student Support Services Office in the Albany Quadrangle (access@lclark.edu x7192). After you have submitted documentation and filled out paperwork, staff in that office will notify me of the accommodations for which you are eligible.

Writing Center and Math Skills Center: If you would like to get some help to improve your English or your math skills do not hesitate to go to the Writing Center in the Watzek Library room 227A (writing@lclark.edu or x7505) and the Symbolic and Quantitative Resource Center located in Howard 134 (eosullivan@lclark.edu or x7570).

<i>Tentative</i> Class Schedule Spring 2025				
Weeks		Topics	Required Readings	Remarks, Additional readings
Week 1	21-Jan	GDP, Unemployment, Inflation and other Macroeconomic Variables	Syllabus, MWW 2, 4, 5	
	23-Jan			
Week 2	28-Jan	Sectoral Accounting	MWW 6	
	30-Jan			
Week 3	4-Feb	(Neo)Classical System	MWW 11 Henry (2003)	
	6-Feb			
Week 4	11-Feb			
	13-Feb			
Week 5	18-Feb	Real World Challenge to the (Neo)Classical Model: The Great Depression		Eric Rauchway
	20-Feb	Aggregate Demand, Income Multiplier, Labor Demand and Involuntary Unemployment	MWW 15, 14, 13	
Week 6	25-Feb			
	27-Feb			
Week 7	3-Mar	MIDTERM #1		Week 1-7
	5-Mar			
Week 8	10-Mar	Interest Rate, Monetary Policy and Liquidity Preference	MWW 23	
	12-Mar	Money and Banking: Endogenous Money	MWW 10	
Week 9	17-Mar	Investment theory: Marginal efficiency of capital		
	19-Mar	IS-MP model		
Week 10	24-Mar			Spring Break
	26-Mar			
Week 11	31-Mar	IS-MP model		
	2-Apr			
Week 12	7-Apr	Keynesian AS-AD: Kaldor-Verdoorn law, conflicting claims and output gap	MWW 16, 17	
	9-Apr			
Week 13	14-Apr	Keynesian AS-AD: Dealing with a full employment economy and targeted demand policies	Keynes (1940) Keynes (1937)	
	16-Apr			
Week 14	21-Apr	MIDTERM #2		Week 8-13
	23-Apr	Full Employment and Price Stability: Unemployment vs Employment Buffer		
Week 15	28-Apr		Monetary Sovereignty and Fiscal Space	MWW 18, 19
	30-Apr			
COMPREHENSIVE FINAL EXAM (Week 1-15), Wednesday, May 7, 6:00P-9:00P				

Note: “MWW” refers to chapter 1 of Mitchell, Wray and Watts’s book (the textbook). All papers are on Moodle.