

INTERMEDIATE MACROECONOMICS

LIBERAL ARTS VERSION

Professor: Nic Pusateri

Email: mail@nicpusateri.com

Course Overview: Macroeconomics studies how economies grow, fluctuate, and sometimes fail to find balance. This course develops the analytical frameworks economists use to understand output, employment, inflation, and policy. It also asks how these models hold up when confronted with data—when theory meets the uneven reality of human behavior.

We build on the tools of Principles to reach a more systematic, empirical, and critical understanding of macroeconomic reasoning. You will learn not only to work with the equations of growth and business cycles, but to see where those equations simplify or mislead. The goal is to leave this course able to *think like a macroeconomist*: tracing mechanisms, questioning assumptions, and reading data skeptically.

By the end of the term, you should be able to:

- Construct and analyze the core models of modern macroeconomics.
- Interpret macroeconomic data in light of theory.
- Evaluate policy debates with attention to distributional effects.
- Communicate economic reasoning clearly in writing and discussion.

Course Text: The primary text for this course is N. Gregory Mankiw, *Macroeconomics*, 12th ed. (Macmillan).

Additional Required Materials:

- Supplementary Readings: Posted on Blackboard (Lucas, Friedman, Higgs, Radford, Alchian, etc.).
- Recommended Reference: [Snowdon and Vane \(2005\)](#), *Modern Macroeconomics*.
- Data Sources: FRED (Federal Reserve Economic Data), BLS, BEA.
- Supplies: Notebook and pen—no laptops or phones during class, outside of data exercises.

Prerequisites: Principles of Microeconomics and Principles of Macroeconomics (or equivalents) and facility with algebra and graphs.

Tentative Schedule of Major Dates:

Exam 1	DD/MM/YY
Exam 2	DD/MM/YY
Final Project Due	DD/MM/YY

Course Outline:**Part I: Foundations of Macroeconomic Analysis**

The Practice and Data of Macroeconomics Mankiw Chs. 1–2

Lucas (2011)

Optional: Kuhn (2012), excerpts from *The Structure of Scientific Revolutions*

Workshop: Reading FRED data and constructing macroeconomic indicators

National Income and Production Mankiw Ch. 3

Alchian (1950)

Data journal: building GDP from the bottom up

Consumption and Saving Behavior Mankiw Ch. 16

Modigliani (1986)

Case study: household finance and the life-cycle hypothesis

Investment and Expectations Mankiw Ch. 17

Higgs (1997)

Historical application: policy uncertainty and investment response

Money and Inflation Mankiw Chs. 4–5

Radford (1945)

Discussion: what constitutes “money”? How does trust enter
macroeconomics?

Open Economy and Exchange Rates Mankiw Ch. 6

Kessel and Alchian (1962)

Simulation: floating vs. fixed exchange regimes

Labor Markets and Unemployment Mankiw Ch. 7

Alchian (1969)

Part II: Fluctuations and Policy

Aggregate Demand and Supply Dynamics Mankiw Chs. 10 & 14

Friedman (1968)

Application: Phillips curve evidence across decades

Dynamic Models of Business Cycles Mankiw Ch. 15

Lucas (1977)

Data journal: cycle dating and cross-country comparison

IS–LM and Policy Interaction Mankiw Chs. 11–12

Hicks (1937)

Case study: fiscal and monetary coordination in the 2008 crisis

The Mundell–Fleming Model and Open-Economy Policy Yeager (1956)

Optional: Snowdon and Vane (2005), Ch. 4

Application: policy spillovers and exchange rate management

Stabilization Policy and Public Debt Mankiw Chs. 18–19

Abrams (2006)

Simulation: debt dynamics under alternative rules
 Heterogeneity in Macroeconomic Adjustment
 Instructor paper: “State-Level Natural Rates of Unemployment”
 Workshop: analyzing regional labor data using CPS microdata
 Contemporary Macroeconomic Challenges
 Current readings from *Brookings Papers on Economic Activity* or
Journal of Economic Perspectives

Grade Composition:

Reading Reflections 10%

- Short responses connecting weekly readings to discussion.

Homework Problem Sets 15%

- Quantitative and conceptual exercises; collaboration encouraged.
- Due Fridays at 11:59 PM on Blackboard. Collaboration is encouraged, but write-ups must be your own. No late work accepted without prior arrangement.

Macroeconomy in Real Time Data Journal 20%

- Ongoing project tracking key indicators (GDP, CPI, unemployment, interest rates). Students interpret releases through course frameworks, noting where data confirm or complicate theory.

Exam I 15%

- Covers Part I: theory and measurement. Closed-book and analytical. Make-ups only for documented emergencies.

Exam II 15%

- Covers Part II: fluctuations and policy. Closed-book and analytical. Make-ups only for documented emergencies.

Final Integrative Project 25%

- Short research-style paper or empirical analysis linking course themes to a current policy question. Students may draw on micro data or macroeconomic aggregates from public sources.

Letter Grade Scale: A = 93–100, A- = 90–92, B+ = 87–89, B = 83–86, B- = 80–82, C+ = 77–79, C = 73–76, C- = 70–72, D+ = 67–69, D = 60–66, F = below 60

Rounding: Final grades are rounded to the nearest whole number (e.g., 92.5 becomes 93 = A; 92.4 becomes 92 = A-).

Policies and Expectations:

Attendance and Absences

- Attendance is mandatory. This is a discussion-based course—your presence matters to everyone’s learning, not just your own. You have three penalty-free absences for any reason (illness, interviews, family matters, mental health days)—use them wisely.
- Each additional unexcused absence beyond three lowers your final course grade by one-third of a letter grade (e.g., B+ becomes B). Six or more unexcused absences results in automatic course failure regardless of other work completed.
- Absences are excused only for documented illness, family emergencies, or official college obligations. Please communicate with me as early as possible when these situations arise—I’m here to support you, but I need to know what’s happening.
- Tardiness: Please arrive on time. Arriving late disrupts the class and disrespects your peers’ learning. Habitual lateness (three or more instances) will be treated as one absence. If you know you’ll be late due to a scheduling conflict (e.g., a regularly scheduled prior class that runs over), please speak with me early in the semester so we can address it.
- If you miss class, review posted materials and coordinate with classmates for notes. You are responsible for all material covered and announcements made.

Electronic Devices: Attention Is a Scarce Resource

- Electronic devices—phones, laptops, tablets—are not permitted during class unless you have a documented accommodation requiring their use.
- The evidence is clear: students learn better taking notes by hand, and devices create negative externalities by distracting nearby peers (Mueller and Oppenheimer 2014; Sana, Weston, and Cepeda 2013; Carter, Greenberg, and Walker 2017; Dynarski 2017). More fundamentally, the ability to sustain focused attention is increasingly rare and professionally valuable.
- Students with documented accommodations requiring electronic devices should contact me at the beginning of the semester to arrange appropriate access. I will work with you to ensure your needs are met while maintaining a focused learning environment for all students.
- Bring a notebook and pen or pencil. This is an analog space for focused inquiry.

Late Work and Extensions

- Deadlines build professional habits and allow timely feedback. Late work penalties are specified for each assignment (see above).
- If you anticipate a conflict, contact me at least 48 hours before the due date to request an extension. Extensions are granted for documented emergencies, significant illness, or official college obligations. Last-minute requests are difficult to accommodate except in true emergencies—plan ahead when possible.

Academic Integrity

- This course operates under the college's Honor Code. All work, written and oral, must be your own. Collaboration is encouraged on problem sets, but your write-ups must reflect your own understanding. Violations will be reported to the Honor Council without exception. If you're uncertain whether something constitutes a violation, ask me first.

Accessibility and Support

- Students requiring accommodations should contact the Office of Accessibility early in the semester and speak with me so we can coordinate appropriate support. I'm committed to ensuring equitable access to all course materials and activities.
- If you face unanticipated challenges—personal, academic, financial, or otherwise—please reach out early and confidentially. I can't help if I don't know what you're facing. Early communication makes all the difference.

Recording Policy

- To protect the classroom environment and peer privacy, no audio, video, or photographic recording is permitted without explicit prior permission. Students with documented accommodations requiring recording should coordinate with me at the beginning of the semester.

Class Culture: Economics is a collective inquiry. Our class works best when we challenge ideas, not people. In discussions, you should be prepared to engage—but “I don't know, but here's how I'd think through it” is not only acceptable but celebrated. The only unacceptable response is disengagement.

We will encounter economic questions where reasonable people disagree. Different backgrounds and perspectives enrich our collective understanding. This classroom values diverse viewpoints and requires that all voices be heard with respect.

Be curious, rigorous, and generous with disagreement. Uncertainty isn't failure; it's where learning begins.

Communication and Office Hours: Check Blackboard and email regularly. I aim to respond to emails within 48 hours on weekdays. If you haven't received a response within 48 hours and your question is time-sensitive, please follow up—emails occasionally get lost.

Office hours are for conversation and exploration, not just problem-solving. You don't need to be “stuck” to visit. You're welcome to discuss class topics, connections to your interests, applications to current events, career questions, or anything economics-adjacent. I'll provide the coffee.

If you're struggling with course material, office hours aren't optional—they're part of how this course works. I'm here to help, but I can't help if I don't see you. Early intervention matters. Waiting until the week before exams makes recovery much harder.

Assessment Philosophy: Macroeconomics is a discipline of approximation and argument. We learn by testing models against data and each other's ideas. Mistakes are not failures but evidence of engagement. Grading rewards reasoning, clarity, and progress over time.

Closing Note: Macroeconomics combines data, theory, and judgment. This course will push you to see the economy as a living system of incentives, institutions, and ideas—and to notice how aggregate stories hide variation beneath the surface. The tools we build here will help you read the world more closely and argue about it more clearly.

References

- Abrams, B. A. 2006. "How Richard Nixon pressured Arthur Burns." *The Journal of Economic Perspectives* 20 (4): 177–188.
- Alchian, A. A. 1950. "Uncertainty, Evolution, and Economic Theory." *Journal of Political Economy* 58 (3): 211–221.
- . 1969. "Information Costs, Pricing, and Resource Unemployment." *Economic Inquiry* 7 (2): 109–128.
- Carter, Susan Payne, Kyle Greenberg, and Michael S Walker. 2017. "The Impact of Computer Usage on Academic Performance: Evidence from a Randomized Trial at the United States Military Academy." *Economics of Education Review* 56: 118–132. DOI: <https://doi.org/10.1016/j.econedurev.2016.12.005>.
- Dynarski, Susan. 2017. "Laptops Are Great. But Not During a Lecture or a Meeting." *New York Times* 11/22/2017, URL: <https://www.nytimes.com/2017/11/22/business/laptops-not-during-lecture-or-meeting.html>.
- Friedman, M. 1968. "The Role of Monetary Policy." *The American Economic Review* 58 (1): 1–17.
- Hicks, J. R. 1937. "Mr. Keynes and the "Classics"; A Suggested Interpretation 5 (2): 147–159.
- Higgs, R. 1997. "Regime Uncertainty." *The Independent Review* 1 (4): 561–590.
- Kessel, R. A., and A. A. Alchian. 1962. "Effects of Inflation." *Journal of Political Economy* 70 (6): 521–537.
- Kuhn, T. S. 2012. *The Structure of Scientific Revolutions: 50th Anniversary Edition (4 edition)*. Chicago ; London: University Of Chicago Press.
- Lucas, R. E. 1977. "Understanding business cycles." *Carnegie-Rochester Conference Series on Public Policy* 5: 7–29.
- . 2011. "What Economists Do." *Journal of Applied Economics* 14 (1): 1–4.
- Modigliani, F. 1986. "Life Cycle, Individual Thrift, and the Wealth of Nations." *The American Economic Review* 76 (3): 297–313.
- Mueller, Pam A, and Daniel M Oppenheimer. 2014. "The Pen is Mightier than the Keyboard: Advantages of Longhand over Laptop Note Taking." *Psychological science* 25 (6): 1159–1168. DOI: <https://doi.org/10.1177/0956797614524581>.
- Radford, R. A. 1945. "The economic organisation of a POW Camp." *Economica* 12 (48): 189–201.

- Sana, Faria, Tina Weston, and Nicholas J Cepeda. 2013. "Laptop Multitasking Hinders Classroom Learning for Both Users and Nearby Peers." *Computers & Education* 62: 24–31. DOI: <https://doi.org/10.1016/j.compedu.2012.10.003>.
- Snowdon, B., and H. R. Vane. 2005. *Modern Macroeconomics*. Cheltenham, UK ; Northampton, MA: Edward Elgar Pub.
- Yeager, L. B. 1956. "A Cash-Balance Interpretation of Depression." *Southern Economic Journal* 22 (4): 438–447.