



**College of Business Administration**  
**Department of Economics**  
**Aggregate Economic Condition Analysis**  
**Lecturer: O. Mikhail**  
**ECO 3203-0001**  
**Spring 2003**

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### **Course Outline**

Time	:	T, Th 8:30 a.m. – 9:45 a.m.
Location	:	BA 116.
Office	:	BA 360.
Office Hours	:	T, Th 10:30 a.m. – 12:00 p.m.
Class Web Page	:	<a href="http://www.bus.ucf.edu/omikhail/Eco3203/Eco-3203.htm">http://www.bus.ucf.edu/omikhail/Eco3203/Eco-3203.htm</a>
E-Mail	:	omikhail@hotmail.com omikhail@bus.ucf.edu

### **Course Objective**

Macroeconomics is the most interesting and core part of economics. This course is an intermediate level of macroeconomics. We explore the short-run and the long-run behavior of the economy. The course presents recent macroeconomic theories and models based on microeconomic principles. Applications to current and historical economic problems are emphasized. By the end of the course, students should be able to apply the material to understand current discussions about the national economy. The course presents a solid ground in modern theoretical macroeconomics with a “Theory Confronts Data” approach. It prepares the student to undertake advanced macroeconomics, pursue graduate studies and/or to become a policy analyst. The approach is even-handed and not biased toward a particular school of thought. The focus is on the market-clearing approach, but with a more central treatment of Keynesian analysis.

Basic knowledge of calculus and algebra are required. Students are responsible for *all* materials presented in the textbook, in the study guide and in the lecture notes.

### **E-mail Policy and Class Web Page**

During weekdays, I should be able to answer your e-mail within 24 hours. The lecture notes are available at the class web page. Visit the class web page regularly for announcements.

## Required Book

Stephen D. Williamson. (2002) *Macroeconomics*. Pearson Education, Addison-Wesley. ISBN: 0-201-71046-3.

Visit the book Web site for the Study Guide, <http://www.aw.com/williamson> Each chapter of the textbook includes a set of Conference Board Problems that make use of the on-line database. **The book offers on-line tutorial help with live chat.**

## Evaluation (Preliminary)

Quiz I (January 16, 2003)	25 %	
Quiz II (February 13, 2003)	25 %	
Quiz III (March 13, 2003)	25 %	
Final Exam (April 22, 2002)	50 %	<b>The FINAL EXAM is at 7:00 a.m.</b>

Only, your best two quizzes will count toward your final grade. Extra in-class surprise quizzes might be held during the semester.

## Assignments

On the class web page, I will regularly post a set of voluntary assignments. If you undertake these assignments, I will correct them and hand them back to you, but no grade will be allocated to these assignments. The purpose of these assignments is to prepare the student for the quizzes.

## Reading List

Weeks 1 – 2	Introduction, Measurement and Business Cycle Measurement. Chapters 1, 2 and 3.	
Week 2	January 17, 2003	<b>QUIZ I – Chapters 1, 2 and 3.</b>
Weeks 3 – 4 – 5 – 6	Consumer and Firm Behavior: The work-leisure decision and profit max. A Closed-Economy One-Period Macroeconomic Model. Chapters 4 and 5.	
Week 6	February 13, 2003	<b>QUIZ II – Chapters 4 and 5.</b>
Weeks 7 – 8 – 9 – 10	A Two-Period Model: The consumption-savings decision and Ricardian Equivalence. A Real Intertemporal Model with Investment. Chapters 6 and 7.	
Week 10	March 13, 2003	<b>QUIZ III – Chapters 6 and 7.</b>
Week 11	<b>SPRING BREAK (March 17 – March 23)</b>	

Week 12	Economic Growth. Chapter 8.
Week 13	A Monetary Intertemporal Model: The Neutrality of Money, Long-Run Inflation, and Money Demand. Chapter 9.
Week 14	Keynesian Business Cycle Theory: The Sticky Wage Model. Chapter 10.
Week 15	Market-Clearing Models of the Business Cycle, Inflation, the Phillips Curve, and Central Bank Commitment. Chapters 11 and 16.

<b>Academic Dates and Deadlines</b>	
Classes Begin	January 6
Late Registration and Add/Drop	January 6-10
Withdrawal Deadline	February 28
Founder's Day Honors Convocation	April 2
Classes End; Last Day to Remove Incomplete	April 21
Final Examination Period	April 22-28
Grades Available on POLARIS (begins at 9 a.m.)	May 5
Commencement	May 2-3
<b>Spring 2003 Holidays and Special Events</b>	
Martin Luther King Jr. Day	January 20
Spring Break	March 17-23