



**College of Business Administration  
Department of Economics  
Aggregate Economic Condition Analysis  
Lecturer: O. Mikhail  
ECO 3203-0001  
Spring 2004**

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### **Course Outline**

Time	:	Monday, Wednesday, 1:30 p.m. – 2:45 p.m.
Location	:	BA II - 210.
Office	:	BA II - 302.
Office Hours	:	Monday, Wednesday 10:00 a.m. – 11:30 a.m. Thursday 1:00 p.m. – 3:00 p.m. <b>OR by scheduled appointment.</b>
Class Web Page:		<b><a href="http://www.bus.ucf.edu/omikhail/Eco3203/Eco-3203.htm">http://www.bus.ucf.edu/omikhail/Eco3203/Eco-3203.htm</a></b>
E-Mail	:	omikhail@hotmail.com omikhail@bus.ucf.edu
Phone	:	407-823-4258
Fax	:	407-823-3269

### **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. The course is designed to prepare 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 covered in class that is presented in the textbook, in the study guide and in the lecture notes.

Attendance at lectures is not mandatory but is recommended. **If you are experiencing any difficulty in this class (or any other), please arrange a meeting with me to discuss it.**

## **E-mail Policy, Lecture Notes and Class Web Page**

During weekdays, I should be able to answer your e-mail within 24 hours. All of the PowerPoint class notes are available at the class web page. Visit the class web page regularly for announcements. Class announcements – posted at the class web page – are part of your curriculum. Also, visit the class web page for the conversion table of grades. I adopt the plus/minus letter grades as outlines at the class web page. **The lecture notes are not substitutes for the textbook; they are a complement to the textbook.**

## **Office Hours**

If my office hours (stated above) conflict with your schedule and you need to see me, please let me know so I can arrange a mutually acceptable time to meet.

## **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 an on-line tutorial help with live chat.**

## **Evaluation (Preliminary)**

Quiz I (January 26, 2004)	25 %	
Quiz II (February 18, 2004)	25 %	
Quiz III (March 24, 2004)	25 %	
Final Exam (April 26, 2004)	50 %	<b>The FINAL EXAM is from 1:00 p.m. to 3:50 p.m.</b>

I expect you to uphold the guidelines of the Golden Rules, <http://www.ucf.edu/goldenrule>

Only, your best two quizzes will count toward your final grade. No extra-credit assignment is given. No early or make-up exams will be given. The Final Exam is held on Monday, April 26, 2004 from **1:00 p.m. to 3:50 p.m.**

## **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 solution is meant to guide you to answer the question. The purpose of these assignments is to prepare the student for the quizzes.

## **Class Structure**

The class will be held in an active-discussion framework. Due to the class size and the limited class time, I suggest that students form study groups outside of class to work through the study guide and end-of-chapter problems.

## Reading List

Weeks 1 – 2 – 3	Introduction, Measurement and Business Cycle Measurement. Chapters: 1, 2 and 3.	
Week 3	Monday, January 19, 2004	<b>Martin Luther King Jr. Day</b>
Week 4	Monday, January 26, 2004	<b>QUIZ I – Chapters 1, 2 and 3.</b>
Weeks 4 – 5 – 6 – 7	Consumer and Firm Behavior: The work-leisure decision and profit max. A Closed-Economy One-Period Macroeconomic Model. Chapters: 4 and 5.	
Week 7	Wednesday, February 18, 2004	<b>QUIZ II – Chapters 4 and 5.</b>
Weeks 8 – 9 – 11 – 12	A Two-Period Model: The consumption-savings decision and Ricardian Equivalence. A Real Intertemporal Model with Investment. Chapters: 6 and 7.	
Week 10	March 8, 2004 – March 13, 2004	<b>SPRING BREAK</b>
Week 12	Wednesday, March 24, 2004	<b>QUIZ III – Chapters 6 and 7.</b>
Week 13	Economic Growth. Chapter 8.	
Weeks 14-15	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.	

## Important Academic Dates and Deadlines

Classes Begin	January 5
Late Registration and Add/Drop, (ends at 5:00 p.m. on the last day)	January 6-9
Withdrawal Deadline	February 27
Registration by Appointment and Add/Drop	April 5-April 22
Classes End; Last Day to Remove Incomplete	April 19
Final Examination Period	April 20-26
Grades Available on POLARIS (begins at 9 a.m.)	May 1
Commencement	April 30 - May1
<b>Spring 2004 Holidays</b>	
Martin Luther King Jr. Day	January 19
Spring Break	March 8-13
<b>Spring 2004 Special Events</b>	
Founder's Day Honors Convocation	April 7

## THE UCF CREED

*Integrity, scholarship, community, creativity, and excellence are the core values that guide our conduct, performance, and decisions.*

### **Integrity**

*I will practice and defend academic and personal honesty.*

### **Scholarship**

*I will cherish and honor learning as a fundamental purpose of my membership in the UCF community.*

### **Community**

*I will promote an open and supportive campus environment by respecting the rights and contributions of every individual.*

### **Creativity**

*I will use my talents to enrich the human experience.*

### **Excellence**

*I will strive toward the highest standards of performance in any endeavor I undertake.*

<http://pegasus.cc.ucf.edu/~admissio/creed.htm>