Course description. This course, the last in the three-quarter sequence in honors intermediate economics, focuses on the fundamental elements of macroeconomic theory: the determinants of aggregate output, employment, prices, wages and interest rates; the causes and consequences of short-run economic fluctuations; the effects of monetary and fiscal policy on aggregate economic activity.


Teaching assistant. Jeremy Verlinda, SST 311, Office hours: M 4-5 pm and W 12-1 pm.

Requirements and grading. There will be two exams: a midterm exam, scheduled on Tuesday May 8, and a (comprehensive) final exam, scheduled on Tuesday June 12.

In addition, over the quarter, I will regularly assign problem sets to help you develop a solid command of the material. Each will be posted on the class web page, <http://e3.uci.edu/01w/62100/>, at least one week in advance of its due date. Assignments will not be accepted after the due date unless accompanied by a legitimate, written excuse. Working together in study groups is strongly encouraged; however, each student must submit his/her own set of solutions.

Your final grade for the course will be based on your performance on the problem sets and the two exams according to the following weighting scheme.

- Problem sets: 50 percent
- Midterm exam: 25 percent
- Final exam: 25 percent

Discussion sections. Though not required, you are strongly encouraged to attend both weekly discussion sections (Mondays and Wednesdays,
11.00-11.50 am), when the TA will go over the lectures, problem sets, and the midterm exam. You should be prepared to ask questions.

**Course outline and readings.†**

1. Aggregate demand  
   - chapters 9-11
2. Aggregate supply  
   - chapter 13
3. Macroeconomic policy debates  
   - chapters 14-15
4. Consumption  
   - chapter 16
5. Investment  
   - chapter 17
6. Money  
   - chapter 18
7. Recent advances  
   - chapter 19

†Please note that I will occasionally present the material at a more technical level (i.e., relying more heavily on calculus) than the textbook.