ECONOMICS 360

SPECIAL TOPICS IN ECONOMICS:
HOW DO WE KNOW WHAT QUESTIONS TO ASK ABOUT MACROECONOMICS?

SPRING SEMESTER 2006

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Course Description: This course is a special topics course in macroeconomics. Related to the Richmond Quest (“How Do We Know What Questions to Ask?”), the course looks at some issues in macroeconomics and asks: how do we know what questions to ask in macroeconomics? The course will develop two major tools that are useful for advanced study in macroeconomics: (1) forecasting theory and practice; and (2) SAS programming.

By taking this course, you will: (1) learn the basic theory of forecasting; (2) put that theory into practice by applying the theory to a variety of macroeconomic issues; (3) learn how to use and interpret regional, financial, and macroeconomic data; (4) learn to program in SAS with techniques to analyze and interpret time-series data; (5) understand macroeconomic theory more completely.

Prerequisites: Economics 101, 102, 272; BUAD 201, 301.

Required Textbook: Macroeconomics 5th edition with UPDATE by Abel, Bernanke, Croushore.


Course Grade: Percentages
20 — Midterm Exam
30 — Final Exam
25 — Daily Assignments
20 — Final Paper
5 — Class Participation

Exams: There are two exams during the semester, a midterm and a comprehensive final exam. Material on exams is discussed in class or is found in assigned readings. Exams are likely to be take-home exams, as you will need to program in SAS.
Class Participation: Five percent of your grade is based on class participation, including answering problems assigned for homework. You should come to class prepared every day, which means reading the assigned material and doing the assigned problems at the end of each chapter. You will be called on in class to answer questions.

Grades are based on the amount of participation:
- 5 points = often asks good questions, answers most problems correctly
- 4 points = sometimes asks good questions, prepared to answer most problems
- 3 points = seldom asks good questions, usually prepared to answer problems
- 2 points = sometimes prepared for problems or absent more than twice
- 1 point = not well prepared for problems or absent more than twice
- 0 points = not well prepared for problems or often absent or tardy.

If you miss more than 7 classes during the semester, your grade for the course is a V (equivalent to an F for your GPA).

Daily Assignments: The bulk of the work to be done in this class comes from your hard work outside of class; not from class lectures. Class time will be devoted to macroeconomic theory, forecasting theory, discussion of economic events, SAS programming issues, and going over daily assignments. Each assignment will be turned in for a grade and must reflect your individual work, except where noted for group projects. You must also keep a log for each project or SAS-related homework assignment.

Final Paper: You will write a paper in which you forecast key macroeconomic variables in one of six sectors: the labor market; household consumption and investment; business investment and production; inflation; financial markets; and the foreign sector. You must also keep a log for the paper showing all your developmental work on the project. I will ask for progress reports on your paper throughout the semester. Ideally, you will incorporate the macroeconomic theory you learn this semester in producing your forecasts.

Honor Policy: Students are expected to abide by the University of Richmond Honor Code. You must do your own work on all exams and the paper, and sign the pledge on all written work. Learning to program in SAS will not be easy, but working on your own is the best way to learn. Asking a faculty member for help with SAS will be considered a serious honor code violation. You may confer with fellow students about programming in SAS, but such conferences must involve roughly equal contributions from all parties; you may not copy someone else’s program directly (remember: the point is to learn, not necessarily to get a correct answer).

General Policies: Please e-mail me if you must miss class for any reason, preferably in advance. Assignments and some lecture notes will be posted on Blackboard (not CEO).