Spring 2-1-2016

ECNS 513.01: Macroeconomic Theory

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UNIVERSITY OF MONTANA
Economics 513: Macroeconomic Theory

Course Information:

Semester: Spring 2016
Section: Section 01
Meeting time: MWF 12:10-1:00.
Classroom: LA 401
Credits: 3 credits
CRN: 30786

Instructor Information:

Instructor: Douglas Dalenberg
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Phone: 406-243-4406
Office hours: TR 10:30-12:00, F 10:00-11:00

Course Description:

This course is designed to develop a deeper understanding of macroeconomics. We will approach the subject from an empirical macroeconomic perspective by examining many of the empirical tools a modern macroeconomics. Statistical software will be used to assist us in handling of complex empirical problems and to demonstrate the use of statistical software in macroeconomics. The ultimate objective of the course is to familiarize the student with the tools necessary to be able to start accessing empirical macroeconomic research. In addition, we will read about the historical development of the competing schools within macroeconomics. This course will not make you a professional macroeconomist, but should move you toward being better able to understand macroeconomic research.

Prerequisites:

ECNS 302. A course in econometrics (ECNS 403) is highly recommended. Undergraduates and post-baccalaureates must meet Graduate School policy A7.000 which includes consent of instructor.

Required Texts:

Snowdon, Brian and Howard R. Vane, (2005), *Modern Macroeconomics: Its Origins, Development and Current State*, Northampton, MA: Edward Elgar.

Becketti, Sean, (2013), *Introduction to Time Series Using Stata*, College Station, TX: Stata Press.

Optional Software:

Stata is available in LA 401 and usually in LA 206 and FA 210, but I will hand out information about the different purchasing options available, however, you do not need to purchase it.

Additional Readings:

If we decide to add readings, they will be posted on Moodle.

Learning Outcomes:

Students who successfully complete ECNS 513 will be able to:

1. describe the development of macroeconomics as a field and to identify and describe the views of the various schools of thought within macroeconomics.
2. explain the issues associated with simultaneous equations modelling.
3. explain the issues associated with time series data.
4. perform and interpret the relevant techniques and tests associated with analyzing time series data such as ARMA models, ARCH models and VAR models.
5. demonstrate proficiency with the statistical software program (Stata).

Assessment:

The weights for the course grade are:

Writing Exercises	20%	As assigned
Quizzes	60%	Weekly – every Friday
Comprehensive Final Exam	20%	Monday, May 9 10:10-12:10 in LA 401.

Late work is penalized with a deduction of points reflecting the cost it imposes on me. Work is considered late if I receive it after I have finished grading those assignments handed in on time. I will use plus/minus grading with 100-92=A, 91-90=A-, 89-88=B+, 87-82=B, 81-80=B-, 79-78=C+, 77-72=C, 71-70=C- 69-68=D+, 67-62=D, 61-60=D-, 59 and below=F.

Writing exercises will be graded: 0, 1, 2, 3 with 2 equivalent to a B. If you do not like the grade you earned on the writing exercise, you may revise your exercise once and turn it in for a new grade. Quizzes and the final exam will be graded with traditional points.

I will drop your lowest quiz score in calculating your quiz grade.

Policies:

1. If you miss a quiz and you have a legitimate excuse and you contact me prior to or immediately after the quiz, then we will make arrangements for dealing with the missing score (usually a make-up quiz). If I am not contacted promptly or you don't have a legitimate excuse, then no makeup is possible.
2. I consider work late if it is turned in to me after I have finished grading your classmates' work. At that point it imposes a cost upon me (finding my answer key, recording an additional score after I have closed my grade spreadsheet and the psychological cost of discovering I wasn't really finished with an onerous task) and I will deduct points based on the cost it imposes on me.
3. If my office hours conflict with your schedule, see me for an appointment.
4. Whenever possible, and in accordance with civil rights laws, the University of Montana will attempt to provide reasonable modifications to students with disabilities who request and require them. Please feel free to setup a time with me to discuss any modifications that may be necessary for this course. For more information, visit the Disability Services for Students website (http://life.umt.edu/dss).
5. Academic dishonesty will result in a score of zero for the work in question and possible university sanctions. All students need to be familiar with the Student Conduct Code (http://life.umt.edu/vpsa/policies/student_conduct.php).
6. The University sets deadlines for adding classes, dropping classes, changing grade options, and changing to or from audit status. These policies can be found at the Registrar's web page (http://www.umt.edu/registrar/students/dropadd.php) while the actual dates for this term can

be found on the Registrar's calendar
http://www.umt.edu/registrar/PDF/Spring2016officialdatesdeadlines.pdf

7. As a courtesy to your classmates, please set your cell phones on vibrate rather than ring and please leave the classroom to talk on a phone. You may text during class if it does not disturb those sitting near you and it does not disturb me. Absolutely no texting or cell phone use during quizzes or exams. If you believe that you will need to leave during class, please sit where you will not bother others as you leave.

Calendar:

This schedule of topics is subject to modification. All changes will be announced in class.

Week	Week of:	Topic	Read before class*	Quizzes
1	1/25	Time Series Tools and Forecasting I	SV 1-35 B 1-49	Quiz 1 Friday
2	2/1	Matrix representation of regression	SV 36-38, 54-100 B 49-69	Quiz 2 Friday
3	2/8	Matrix representation of regression	SV 101-123, 144-162 B 71-83	Quiz 3 Friday
4	2/15	Identification *Monday is a holiday*	SV 163-175, 192-218 B 85-114	Quiz 4 Friday
5	2/22	2sls and beyond	SV 219-235, 242-247, 257-293 B 114-139	Quiz 5 Friday
6	2/29	Forecasting II and Filters	SV 294-309, 313-314, 320-356 B 141-166	Quiz 6 Friday
7	3/7	Serial Correlation	SV 357-366, 408-450 B 167-199	Quiz 7 Friday
8	3/14	Time Series Issues and Stationary Series	SV 451-473 B 201-215	Quiz 8 Friday
9	3/21	Unit Root and Cointegration	SV 474-482, 513-516 B 375-423	Quiz 9 Friday
10	3/28	ARIMA models 1	SV 517-525, 537-554, 556-578 B 217-252	Quiz 10 Friday
	4/4	Spring Break		
11	4/11	ARIMA models 2	SV 579-596 B 253-270	Quiz 11 Friday
12	4/18	ARCH	SV 596-632 B 271-298	Quiz 12 Friday
13	4/25	VAR	SV 632-694 B 299-314	Quiz 13 Friday
14	5/2	Forecasting III	SV 695-707 B 315-329, 425-431	Quiz 14 Friday
15	5/9 Mon.	Final Exam 10:10-12:10		Final Exam

* B refers to Becketti, SV refers to Snowden and Vane.