

UNIVERSITY OF SOUTH FLORIDA  
Department of Economics

Fall 2008  
ECO 4201, Advanced Macroeconomic Theory

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**Office Hours:**

Tuesday 11:00 am - 12:30 pm; or by appointment

**Description:**

This course provides an introduction to monetary economics. We will use a simple dynamic general equilibrium framework to analyze such issues as the demand for money in the absence and presence of competing assets; models of banking and the payments system; and government finance.

**Text:**

Champ, Bruce and Freeman Scott, *Modeling Monetary Economies*, 2 ed., (New York: Cambridge University Press, 2001) **required**

**Grade:**

You will be given four problem sets (10% each) and two exams (25% and 35%). The schedule for distributing these assignments and for the exams is given below. Problem sets are due *one* week after they are distributed. LATE PROBLEM SETS WILL NOT BE ACCEPTED NOR WILL MAKE-UP EXAMS BE OFFERED UNLESS SPECIAL CIRCUMSTANCES ARE SHOWN IN ADVANCE TO APPLY. You are encouraged to work with others on the problem sets. If so, then please submit *one* copy of the problem set that includes the name of each group member. Groups of up to three are permitted. Each exam covers only the material taught during the (roughly) one-half of the semester leading up to the exam date.

Problem Sets: Sept. 11, 25; Oct. 30; Nov. 18

First Exam: October 16 in class

Second Exam: December 11 at 7:30 am (as per the final exam matrix)

**Grading Scale:**

The following shows the *minimum* percentage score needed to earn the associated grade.

A	A-	B+	B	B-	C+	C	C-	D+	D	D-
83%	80%	77%	73%	70%	67%	63%	60%	57%	53%	50%

**Rules and Regulations:**

With the exception of the first day of class in which attendance is required in order to retain one's seat in the class, attendance is up to each individual student. However, there is a strong positive correlation between attendance and success in the class. Lectures may be taped, but neither these tapes nor written lecture notes may be sold. Per University regulation, students who will be absent due to a religious holiday must inform the instructor in advance.

**Course Web page:**

All course documents are available on Blackboard. This includes pdfs of this syllabus, the problem sets, answers to the problem sets and exams, and exam study guides. Copies of previous problem sets, exams, and their answers are also available. Prior to the two exams, the answers to end-of-chapter questions from the relevant chapter will be made available.

**Course Outline:**

All readings are taken from Champ and Freeman's *Modeling Monetary Economies*.

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|----|---|----|--|
| 1. | A Simple Model of Money<br><i>Chs. 1, 2, 3</i>                              | 3. | Models of Government Finance<br><i>Chs. 13, 14, 15, 16</i> |
| 2. | Models of Private and Central Banking<br><i>Chs. 6, 7, 8, 9, 10, 11, 12</i> | 4. | A Model of Price Surprises<br><i>Ch. 5</i>                 |