

**ECON 202- METU**  
**MACROECONOMIC THEORY-Fall 2024-2025**  
**SYLLABUS AND OUTLINE**  
(Subject to change)

**INSTRUCTOR:**

Dr. Pınar Derin-Güre

*Contact Information:*

“The best way to contact me is” email: [pderin@metu.edu.tr](mailto:pderin@metu.edu.tr)

I usually check my emails every day. Note: Please give me at least two days to respond, excluding the weekends. (Usually, I can respond much earlier. If I fail to respond, don’t hesitate to remind me by sending another email)

*Office:* IIBF Building-A, A05

*Tel:* +903122103043 (Office)

**TEACHING ASSISTANT:**

Pınar Özpala

*Contact Information:* [pinaroz@metu.edu.tr](mailto:pinaroz@metu.edu.tr)

*Office:* IIBF Building-A, A10

*Office Hours:* Tuesday, 15:40-17:30

**CLASSES:**

*Section 1:*

***Tuesday, 11:40- 13:30, FZ16***

***Thursday, 12:40 - 14:30, FZ14***

*Section 2:*

***Wednesday, 11:40- 13:30, F.AUD***

***Thursday, 09:40 - 11:30, FZ09***

The same material will be covered, and the same midterms will be given. Please come to your section’s class if you didn’t mention otherwise. There could be several times through the terms that in one section, I will be ahead of the material, but eventually, the materials that will be covered will be leveled out.

**OFFICE HOURS:** **Tuesday 10:40-11:30, Thursday 14:40-15:30**, and by appointment for both sections. If you cannot make it to my office during the hour, email me and get an appointment. For regular office hours, you don’t need to get an appointment. You can simply come to the Microsoft Teams class meeting at the mentioned time. (If you don’t want to emit CO2 and stay at home, it is perfectly fine. I will send the Teams class group link through email for security purposes.) If you want to come to my office instead, that is fine as well.

### **COURSE WEB PAGE:**

All necessary material will be posted on ODTU CLASS: <https://odtuclass.metu.edu.tr>.

I will make the announcements and send the emails through the ODTU class. I will use the ODTU class grade book to announce the grades.

### **COURSE WHATSAPP:**

Follow the link to be a member of our WhatsApp group that I will send by email.

I will not be sharing the WhatsApp link here, but I will send an email on that for security reasons.

On WhatsApp, please write your name and last name so I will know who you are. We will have lots of students in the group, so if you have a private question, you can ask me in a private message. If you think your classmates might be interested, you can make a post, though. You are not allowed to share any messages without permission on any platform.

### **DESCRIPTION:**

This course will provide an overview of macroeconomic issues: the determination of output, employment, unemployment, interest rates, and inflation. Monetary and fiscal policies are discussed, as well as international economic issues. The course will introduce basic models of macroeconomics and illustrate principles with the experience of Türkiye and other economies. The learning experience is not intended to simply acquire a body of knowledge but instead develop a way of thinking.

Homework exercises will focus almost exclusively on analytical problem-solving, applying the theoretical models developed in lectures to understand real-world phenomena.

### **READINGS:**

The text for the course is “*O.G. Blanchard, Macroeconomics 6th edition (NOT 7<sup>th</sup> or later version but 6<sup>th</sup>, but if you can't find the 6<sup>th</sup> version, you can buy the 7<sup>th</sup> as well some parts are different. Prentice. Hall, 2006*” (available in the METU bookstore; you can also get a previous version). For additional exercises and resources about the book, you can also visit the book's website at <http://www.prenhall.com/blanchard>.

There are many macroeconomics textbooks in the market, but I like Blanchard's book more than the others. My previous students were pleased to have Blanchard as the textbook; I think you will find it clear and fun to read!

In addition to the textbook, you should read the economics news in the newspapers and economics and business journals. I would be pleased if you find some articles interesting and would like to share them with your classmates and me. I would suggest the economist for international economics news and contemporary articles.

Useful References: (Given your knowledge, you don't need to buy these books!)

R.T. Froyen, Macroeconomics: Theories and Policies, 10<sup>th</sup> Edition, Pearson, 2013.

N. Gregory Mankiw, Macroeconomics 5<sup>th</sup> Edition, Worth Publishers.

Suppose you need a Turkish textbook. The most popular (not the best) for studying for the job exams after graduation is Erdal Ünsal, Makro İktisat.

### **PREREQUISITES:**

Completion of an introductory macroeconomics course is required. We will make use of some mathematical skills throughout the course. Good knowledge of high school algebra is necessary (you should be comfortable solving a system of two or three linear equations, solving a quadratic equation, and interpreting graphs). You should be familiar with the analysis of diagrams with two curves, as we will be using this all the time. You should be able to draw the graph of a line given (e.g.,  $y=2x+5$ ), and you need to know the difference between the shift of a curve and the movement along a curve.

Familiarity with calculus will help me understand some derivations of the results, but I will give explanations that do not need calculus as well.

### **COURSE POLICIES:**

Our course will be a regular COVID face-to-face class, and each week, there will be an online problem-solving session led by your student Teaching Assistants (TAs) and proctored by the class TA listed above. If I miss a course, I will post a relevant class video that you will watch, and we will discuss it in class, but this is for a special case.

Collaboration on assignments is permitted within your group (One person from that group will submit the discussion questions online). On the other hand, cooperation during the midterm and the final exam is strictly prohibited. All exams are face-to-face.

If you have any conflicts with the exams, let me know in advance. If you miss an exam without an acceptable legal document/reason (for example, illness supported by a medical report), no makeup exam will be given. There will also be no makeup for the in-class graded exercises.

Attendance in each online class will be taken. No attendance will be taken during face-to-face and recitation hours. As there will be assigned questions to solve in each course, I will use that grading info as the course attendance. Besides, I will keep track of your time watching the videos each week. Attendance is part of your grade, too, so please try not to miss classes.

### **GRADING INFORMATION (ASSIGNMENTS, EXAMS, AND MORE):**

The course grades will be based on one midterm (25%), a final exam (cumulative) (40%), in-class attendance and participation 10% and online group work graded activities there (a total of 25%), ALL EXAMS WILL BE FACE2FACE.

I will post the assignments and solutions online when there are concrete solutions.

## DISABILITY CLAUSE:

Information for Students with Disabilities Students who experience difficulties due to their disabilities and wish to obtain academic adjustments or auxiliary aids must contact the ODTU Disability Support Office or course instructor and the advisor of students with disabilities at academic departments (for the list: <http://engelsiz.metu.edu.tr/en/advisor-students-disabilities>) as soon as possible. For detailed information, please visit the website of the Disability Support Office: <https://engelsiz.metu.edu.tr/en/>

## HONESTY CLAUSE:

You are expected to be honest in all your academic work. Students caught cheating or otherwise violating the rules of academic conduct will receive an FF grade for the class and be referred to the Dean's office. Don't forget that if you are caught cheating, this information will be included in your university record, and you will not be able to work for a public institution. Let's stop thinking that cheating is smart. You can fool everyone, and you can never fool yourself. As a society, we should start seeing this action as shameful. I have a zero-tolerance policy on that. I think this is the best policy for students. If you have any questions about my expectations, please ask.

## COURSE OUTLINE (Tentative, subject to change at the instructor's discretion):

| DATE                                                           | TOPIC                                  | READINGS (Blanchard) |
|----------------------------------------------------------------|----------------------------------------|----------------------|
| 1-4 Oct.                                                       | Introduction/ Macro Variables          | Chapter 1, Chapter 2 |
| 3 Oct                                                          | No class- Güzin Erat Memorial workshop |                      |
| 7-11 Oct.                                                      | Goods Markets, Financial Markets       | Chapter 3, Chapter 4 |
| 14-18 Oct.                                                     | IS-LM Model                            | Chapter 5            |
| 21-25 Oct.                                                     | IS-LM Model                            | Chapter 5            |
| 28Oct-1 Nov.                                                   | No Class- Conference (Makeup class)    |                      |
| 4,8 Nov.                                                       | Labor Market                           | Chapter 6            |
| 11,15. Nov                                                     | AS-AD Model                            | Chapter 7            |
| 23. Nov.                                                       | MIDTERM                                | Chapters1-5          |
| 25 Nov. 29 Dec.                                                | AS-AD Model                            | Chapter 7            |
| 2-6 Dec.                                                       | Unemployment and Inflation             | Chapter 8            |
| 9-13 Dec                                                       | Open Economy                           | Chapter 18           |
| 16-20 Dec                                                      | Open Economy AD-AS                     | Chapter 19,20        |
| 23 - 27 Dec                                                    | Expectations                           | Chapter 21           |
| 30 Dec-3 Jan.                                                  | Final Review                           |                      |
| FINAL EXAM: 6-18 Jan 2025 TBA by Registrar                     |                                        |                      |
| TENTATIVE: Could be changed by the discretion of the lecturer. |                                        |                      |

INFO: To tell you the truth, I rarely could all these chapters in a term, but I wish I could this time.