

METU, FEAS
Department of Economics
2025-2026 Fall Semester

ECON 202 Section 02 Macroeconomic Theory (3-2) 4

Instructor	Şirin Saracoğlu e-mail: ssirin@metu.edu.tr Office: FEAS A Building A-15		
Lectures	Thursday	09.40-11.30	Fz16
	Friday	08.40-10.30	Fz16
Office Hours	Thursday	14.40-15.30	
	Friday	13.40-14.30	
TA	Zeki Şengül e-mail: zsengul@metu.edu.tr Office: FEAS A Building A-104 Office Hours: Monday 13:40-15:30		
Recitations	TBA		

Course website: odtuclass.metu.edu.tr

Exams:

Midterm Exam I	Date and time: November 4, 2025 Tuesday; 17.40
Midterm Exam II	Date and time: December 2, 2025 Tuesday; 17.40
Midterm Exam III	Date and time: December 23, 2025 Tuesday; 17.40
Final Exam	Date and time: TBA by Registrar

This is an intermediate level macroeconomics course for second year students. The course examines the short-run and medium-run determination of key macroeconomic variables in both closed and open economies, primarily in the context of an IS/LM/BP-AD/AS model. The course aims to develop a general framework to analyse important policy questions and provide a sound understanding of macroeconomic aggregates and macroeconomic and financial linkages between economies. More specifically, the course aims to provide students with a solid economic grounding in understanding the mechanisms underpinning the macroeconomy.

There are two main objectives of this course. Firstly, to provide knowledge of the core theoretical models used in macroeconomics, for both closed and open economies, and to use them to enhance understanding of real-world macroeconomic experiences (especially involving macroeconomic policy). Secondly, to give students a solid grasp of macroeconomic analysis at the intermediate level using both graphical and algebraic techniques. Throughout the course emphasis is placed on developing the skills needed to critically evaluate explanations of economic outcomes in this framework and policy success on both a theoretical and empirical basis. On completion of this course the student will be able to understand theoretical models which are used to explain the behaviour of the aggregate economy in the short and medium-run and will have gained the ability to use these models to answer questions about the impact of shocks and of macroeconomic policy on a small open economy.

Assessment:

The course is assessed by three midterm examinations, a final examination. Note that assessment may cover ANY aspect of the course material covered in lectures and recitation hours and is NOT restricted to the required textbook. Weekly problems sets relating to weekly topics will be handed out. These problems sets will be covered during recitation sessions.

Grading:

Midterm Exams	60%
Midterm Examination I	20%; November 4, 2025 at 17.40
Midterm Examination II	20%; December 2, 2025 at 17.40
Midterm Examination III	20%; December 23, 2025 at 17.40
Final Examination	40%; Date and time TBA by Registrar

Textbooks:

The main textbook for this course is:

(OBJ) Olivier Blanchard and David R. Johnson, Macroeconomics, 6th edition, Pearson-Prentice Hall, 2012.

The 5th edition of the abovementioned book may also be used.

Supplement for Chapters 18, 19, 20, 21: **(OB 3rd Ed.)** Olivier Blanchard, Macroeconomics, 3rd edition, Pearson-Prentice Hall, 2003 (Chapters 18, 19, 20 and 21), and **(AF)** Appleyard, D.R. and Field A. J. International Economics, 9th Edition, McGraw Hill Economics, 2016 (Chapters 24, 25 and 26)

The following textbooks are also helpful:

Michael Burda and Charles Wyplosz, Macroeconomics: A European Text, 3rd edition, Oxford University Press, 2001.

N. Gregory Mankiw, Macroeconomics, Worth Publishers, 2003.

Robert J. Barro, Macroeconomics: A modern approach, Thomson, 2008.

General Rules and Regulations:

Class Attendance

You should attend all classes on a regular basis so that you can benefit from the course at maximum level.

Class Participation

Active participation in class is strongly encouraged and you should keep in mind that the definition of participation includes relevant contributions to class discussion, and participation in-class activities. You are expected to raise appropriate questions as the topic in discussion necessitates. Keep in mind that your questions on the topic will benefit the whole class.

Make up for Exams

Make up for the midterms and under very exigent circumstances, the final exam, will be given only under family emergencies and medical emergencies. **The make-up exam will be comprehensive, and there will be only one make up exam.** In case of medical emergency, you must present a valid and approved medical report before the time of the make-up exam. The medical report must be approved by the METU Health Services and must be returned to me or to the make-up exam proctor in person. The make-up exams will be held collectively in the department during the week following the final exams. Please follow the department announcements for the make-up exam information.

Academic Honesty

The METU Honour Code is as follows: "Every member of METU community adopts the following honour code as one of the core principles of academic life and strives to develop an academic environment where continuous adherence to this code is promoted. The members of the METU community are reliable, responsible and honourable people who embrace only the success and recognition they deserve, and act with integrity in their use, evaluation and presentation of facts, data and documents."

This course will follow the policies on academic dishonesty as adopted by the university. Academic dishonesty includes cheating in exams and quizzes, submitting as one's own work prepared by others, assisting another student in academic dishonesty, and plagiarism among other behaviors specified in the university policy, including disciplinary action.

ATTENTION: *Any form of dishonest behaviour for any part of the course, which includes but not limited to; cheating during exams, plagiarizing and inappropriate collaboration in assignments, will ensure a failing grade for the course and will result in further disciplinary action in line with university regulations depending on the severity of the violation.*

You are expected to turn in original work (your own or that of your team) for every part of every deliverable in this course. Please add the full reference of any sources (text, image or audio) if any. For more information, please check METU's plagiarism page at <http://www.fbe.metu.edu.tr/plagiarism>

Information for Students with Disabilities

Students who experience difficulties due to their disabilities and wish to obtain academic adjustments and/or auxiliary aids must contact ODTU Disability Support Office and/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 Disability Support Office: <https://engelsiz.metu.edu.tr/en/>

Proper E-mail Etiquette (How to properly e-mail your Professor?)

Please e-mail me according to the template provided below (that is, properly introduce yourself, state what class you are in, your problem and what you want me to do about it). Please do not send me an e-mail without stating your name and without stating what class you are in, otherwise we will have many back and forth e-mails. Also, please do not expect me to answer your e-mails after business hours, that is after 17.30 and during weekends, unless it is an emergency. Finally, please do not e-mail me about issues that are clearly presented in the Syllabus and odtuclass website: **please first check the Syllabus and odtuclass** for Exam dates, for assignment deadlines, course material, etc.

Here's a template you can follow in constructing your email to a professor. Each element is explained in the *E-mail Etiquette Document* at odtuclass website.

Dear [1] Professor [2] Last-Name [3],

This is a line that recognizes our common humanity [4].

My name is and I'm in your Class Name, Section Number that meets on This Day [5]. This is the question I have or the help I need [6]. I've looked in the syllabus and at my notes from class and online and I asked someone else from the class [7], and I think This Is The Answer [8], but I'm still not sure. This is the action I would like you to take [9].

Signing off with a Thank You is always a good idea [10],

Favorite Student

METU RULES AND REGULATIONS REGARDING ASSESSMENT AND GRADING

Please check: <https://oidb.metu.edu.tr/en/middle-east-technical-university-rules-and-regulations-governing-undergraduate-studies>

PART III

Examinations, Assessment and Graduation: Attendance and Examinations

ARTICLE 23 – (1) Students must attend the theoretical and practical class hours, examinations and other academic studies as required by the instructors.

(2) The attendance records of students are kept by the instructors.

(3) The effect of student attendance on the right to take mid-term and final examinations and on the letter grades for a semester; mid-term examinations, homework assignments, practical applications and other similar studies for which the students are responsible and the effect of these on the letter grades for a semester; the requirements to take the final examination, if any, are determined by the instructors and announced to the students in the course schedule at the beginning of the semester.

(4) At least one mid-term examination and one final examination are given for each course. The courses which do not require a mid-term and/or final examination are determined by the department concerned and the RO is informed of these.

(5) Students are informed of their success in each course within a semester by the instructor of that course. While doing so, instructors follow the principle of privacy of personal information.

(6) The examination dates of the courses for which mid-term examinations are given are determined by the instructors offering the course, or by department chairs upon the recommendation of the course instructors. Mid-term dates are announced within the first four weeks of a semester. In compulsory multi-section courses offered for different undergraduate programs, the examination dates are determined and announced by the concerned department chairs in coordination with the RO.

(7) All exams other than mid-term and final examinations may be administered with no predetermined date.

(8) In courses for which final examinations are given, the arrangement of the final exams is made as follows:

a) The dates and times of the final examinations are determined and announced by the RO following opinions received from the concerned departments.

b) The pre-announced final examination dates may be changed by the RO upon the justified request of the concerned department provided that the new dates are within the period of final examinations. This procedure is carried out before the period of final examinations starts.

(9) If deemed necessary, courses and exams may be held after weekly working hours and/or on Saturdays and Sundays.

(10) The concerned instructors and proctors are responsible for the administration of the exams in accordance with the rules.

(11) The principles regarding the procedures to be applied for students who have failed to sit an examination are determined by the instructor offering the course, or department chairs by recommendation of the concerned instructors.

Assessment and Grades

ARTICLE 24 – (1) Students are given a letter grade for each course at the end of the semester they are registered.

(2) This letter grade is at the discretion of the instructor offering the course.

(3) In determining the letter grade, **the students' mid-term and final examination grades, their success in their studies within the semester and their attendance during course and practical work** are taken into consideration.

2025-2026 Fall Semester Econ 202 Course Schedule			
WEEK	DATE	TOPIC	Reading
WEEK 1			
THU	OCT.2	Introduction, Syllabus and Assessment Quiz (non-graded)	Syllabus
FRI	OCT.3	Main Macroeconomic Variables, Türkiye	Lecture notes
WEEK 2			
THU	OCT.9	The Short-run: Goods market	OBJ C-3
FRI	OCT.10	The Short-run: Goods market	OBJ C-3
WEEK 3			
THU	OCT.16	The Short-run: Financial Markets	OBJ C-4
FRI	OCT.17	The Short-run: Financial Markets	OBJ C-4
WEEK 4			
THU	OCT.23	The short run equilibrium in goods and financial markets: IS-LM model	OBJ-C-5
FRI	OCT.24	The short run equilibrium in goods and financial markets: IS-LM model	OBJ C-5
WEEK 5			
THU	OCT.30	The Medium-run: The Labor market	OBJ C-6
FRI	OCT.31	The Medium-run: The Labor market	OBJ C-6
WEEK 6			
TUE	NOV.4	MIDTERM I	WEEK 1-5
THU	NOV.6	The medium-run equilibrium: AD-AS model	OBJ C-7
FRI	NOV.7	The medium-run equilibrium: AD-AS model	OBJ C-7
WEEK 7			
THU	NOV.13	The medium-run equilibrium: AD-AS model	OBJ C-7
FRI	NOV.14	The Open Economy: The BoP	OB 3 rd ed C-18
WEEK 8			
THU	NOV.20	Equilibrium in International Financial markets and the UIP condition	OB 3 rd ed C-18
FRI	NOV.21	The Goods market in an open economy	OB 3 rd ed C-19 & AF C-24
WEEK 9			
THU	NOV.27	The Goods market in an open economy	OB 3 rd ed C-19 & AF C-24
FRI	NOV.28	The Goods market in an open economy	OB 3 rd ed C-19 & AF C-24
WEEK 10			
TUE	DEC.2	MIDTERM II	WEEK 6-9
THU	DEC.4	Introduction: The IS-LM-BP model	AF C-25
FRI	DEC.5	Introduction: The IS-LM-BP model	AF C-25

WEEK 11			
THU	DEC.11	Economic policy in the open economy: Fixed ER	AF C-25
FRI	DEC.12	Economic policy in the open economy: Fixed ER	AF C-25
WEEK 12			
THU	DEC.18	Economic policy in the open economy: Flexible ER	AF C-26
FRI	DEC.19	Economic policy in the open economy: Flexible ER	AF C-26
WEEK 13			
TUE	DEC.23	MIDTERM III	WEEK 10-12
THU	DEC.25	(Time permitting) The natural rate of unemployment and the Phillips curve	OBJ C-8
FRI	DEC.26	(Time permitting) The natural rate of unemployment and the Phillips curve	OBJ C-8
WEEK 14			
THU	JAN.1	NEW YEAR'S DAY	No class
FRI	JAN.2	Review for the Final Exam	Review
	TBA	FINAL EXAM	<i>Comprehensive</i>