Syllabus for Seminar in Macroeconomics:

Overview, Software, and Textbooks: This course will adopt a two-pronged approach to the study of issues in modern monetary economics with a secondary focus on the interplay between macroeconomic variables and financial markets. First, it will provide a brief treatment of time-series analysis with emphasis on its applications in Eviews. Second, it will cover a broad range of topics that monetary economists currently investigate using these practical tools. Although there are no required texts, you are strongly encouraged to purchase:


Earlier editions will also work for the most part but all of the references will be made using the 3rd edition. Also recommended are the books by Lutkepohl (Applied Time Series Econometrics) and Agung (Time Series Data Analysis Using EViews). The former is recommended for those with a strong background in linear algebra; the latter is a nice reference for time series analysis in Eviews. All three books are on the 2-hour reserve at the library. Another text that you may want to look at is Elements of Forecasting by Francis Diebold, which provides an introduction into most of the material that we’ll cover in class at a less technical level than Enders.

Eviews 6 should be available on all campus computers running Windows. If you intend to do a lot of your work away from the computer lab, you may want to purchase the student version of Eviews at www.eviews.com. The most important limitation that the student version carries is inability to run program files; but it cheap at only US$39.95.

The main purpose of this seminar is to introduce students to empirical tools used in modern monetary research. However, the theoretical and methodological issues covered in class should not be construed as constraints on students’ interests. Choosing something that is outside the scope of the course is fine; however, please consult the instructor regarding the feasibility of such projects within the timeline available to complete them.

Evaluation: Students’ grades in the course will be determined as a weighted average of their performance on the following assignments;

- **Class participation** (10%): Be prepared to answer questions about required reading assignments.
- **Tutoring participation** (10%): When you show up for one-on-one discussion of your research, I will expect you to have done a lot of work on your own. Be prepared to discuss what you’ve done as well as what you intend to do next.
- **Sentence of Research Intent** (2%, due at the end of Week 3): Fill in the blanks in the following sentence: “I am interested in studying the effect of _____________ on ____________.” Feel free to provide more detail than that. Email the completed sentence to the instructor by 5pm on Friday, October 1.
• **Statement of Research Intent** (3%, due at the end of Week 6):
  You will write one or two paragraphs about what you want to study, the methodology that you will use in your investigation, and whether data are available for your project. [Hint: If data are not available, you should work on a different project.]

• **Prospectus** (10%, due at the end of Week 7):
  This research proposal is the first official step towards completing your comps that will be evaluated by the department. It should build upon the Statement of Research Intent and present a more detailed description of your intended research including potential model specification, specific data sources, and a comprehensive bibliography that should be helpful to establish your project’s place in existing literature.

• **Presentation of an existing paper** (15%, Week 7): Being able to contribute to existing literature begins with understanding what has already been done. You should aim to present this paper as if you were the author, i.e. explain the state of the relevant literature before this paper, how this paper contributes to the said literature, and finally offer some critique and insights into how the paper can be extended.

• **Presentation of Preliminary Research** (10%, Weeks 9-10):
  You will spend 15-20 minutes presenting your research to date before the class. The objective of this presentation is to provide a broad overview of existing research related to your project and convince your audience that it will make a novel contribution to the said literature. The related paper in the previous presentation should be a small subset of this presentation.

• **Research Paper** (40% or 30%, due at 5pm on the last day of finals):
  This is a preliminary version of your comps paper. It should provide a detailed overview of existing literature, specific econometric models that your paper may use, and exact data sources (preferably, you should have most of your data in hand by then). The main emphasis of this paper should be on the first part, i.e. on the work that has already been done by others. A more detailed description of the paper’s requirements will be presented midway through the course.

• **Problem Sets** (0% or 10%): There will be short weekly problem sets; as we’ll discuss in class, they are optional. If you choose to complete them, they will be graded on effort only and not on the correctness of your answers: 2pts—if you’ve given good faith effort to at least 75% of the problem set, 1pt—if you’ve given good faith effort to at least 50% of the problem set, 0—otherwise.

**Tentative course outline and schedule:** Please see the course website.

**Comps policy:** You are responsible for reading the departmental comps policy during the first week of classes (see [http://apps.carleton.edu/curricular/econ/seniorintegrativeexercise/](http://apps.carleton.edu/curricular/econ/seniorintegrativeexercise/)). Your prospectus must be accepted for you to be able to choose the paper option of the comprehensive exercise. If your prospectus has been accepted but you decided to switch to the exam option, you must notify the department chair in writing before the end of the drop/add period for the Winter term. Please note that you will also be required to complete a poster presentation of your paper in Spring 2011. Failure to complete any portion of the paper track of the comprehensive exercise successfully will result in your failing the entire exercise and not being able to graduate as an economics major in June 2011.