Macroeconomic Theory
Spring 2026

ECON 5303: CRN 20359

1 Course Information

Time: Tuesday 6:00 pm - 8:50 pm

Location: BUSN room 329

Instructor: Dr. John Gibson

Office: BUSN room 244

Office Hours: Tuesday and Thursday 12:30 pm - 2:45 pm or by appointment

E-mail: jdgibson@utep.edu

Prerequisite: ECON 3302 or ECON 5312

Catalog Description: ECON 5303 covers the basics of macroeconomic measurements and provides a micro-founded introduction to the basic theory which underlies modern macroeconomics. The goal of the course is to give a broad understanding of the economy, with primary attention given to aggregate problems and issues considered of particular importance to the nation.

Course Objective: The purpose of this course is to further the students understanding of the central ideas of macroeconomics. The course provides the theoretical foundations used by modern macroeconomists today. We will focus on models with strong microfoundations and use these models to understand economic growth, business cycles, labor market dynamics, and the implications of monetary and fiscal policy. Given that any macroeconomics course should balance a strong theoretical background and empirical analysis, we will test important theoretical results using real world data and examples.

Method of Instruction: ECON 5303 is taught through a combination of lectures, classroom discussions, homework and examinations. Class interaction allows students to discover the strengths and weaknesses of alternative model environments and policy prescriptions.

Policy on Academic Honesty: All students are responsible for knowing and adhering to UTEP's Policy on Academic Honesty: (`https://www.utep.edu/student-affairs/osccr/student-conduct/academic-integrity.html`).

2 Required Materials

- Macroeconomics, 6th Edition, by Stephen Williamson.
  - The textbook (electronic or physical) may be purchased through the University Bookstore or the Publisher's website
- The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics, by William Easterly

3 Learning Objectives

- The student should know how key macroeconomic variables like GDP and its components, unemployment, and inflation are defined and measured.
- The student should know the determinants of the price level in the long-run and the role of money in modern society.
- The student should be able to list and explain the key stylized growth facts for the U.S. economy.
- The student should be able to list and explain the key stylized business cycle facts for the U.S. economy.
- The student should understand and be able to solve various models of economic growth and be able to describe the model's implications for the rate of growth of per capita income and for convergence.

- The student should understand and be able to solve for various labor market search models. These models should be used to provide intuition for the concepts of search externalities, labor market tightness, and the natural rate of unemployment.
- The student should understand and be able to characterize the competitive equilibrium of both a static and dynamic macroeconomic environment.
- The student should be able to understand and describe the concepts, tools, and implementation of fiscal and monetary policy; their limitations and relative advantages and disadvantages, and how they affect economic activity.
- The student should be able to understand and describe the arguments pro and con for a policy of laizzez-faire versus government activism in the management of macroeconomic policies.

4 Course Outline

The course outline below provides a general plan for the course; deviations may be necessary:

Core Chapters

- Chapter 1. Introduction (01/20)
- Chapter 2. Measurement (01/27)
- Chapter 3. Real Business Cycle Measurement (02/03)
- Chapter 7. Economic Growth: Malthus and Solow (02/10 and 02/17)
- Chapter 8. Income Disparity Among Countries and Endogenous Growth (02/24 and 03/03)
- Chapter 4. Consumer and Firm Behavior (03/24)
- Chapter 5. A Closed-Economy One-Period Macroeconomic Model (03/31)
- Chapter 6. Search and Unemployment (04/07 and 04/14)
- Chapter 9. A Two-Period Model: The Consumption-Savings Decision and Credit Markets (04/21 and 04/28)
- Chapter 11. A Real Intertemporal Model with Investment (05/05)

Additional Chapters (if time permits)

- Chapter 14. Money, Banking, and Financial Institutions
- Chapter 15. Money Creation
- Chapter 16. Interest Rates and Monetary Policy

5 Grading Policy

Grades will be determined as follows:

- Homework - 20 points (Various Times)
- Coursera Modules - 10 points (by end of semester)
  - Databases and SQL for Data Science with Python
  - Generative AI: Elevate your Data Science Career
- Mid-Term Exam - 35 points (Wednesday, March 17th; 6:00 pm -8:00 pm)
- Final Exam - 35 points (Tuesday, May 12th; 7:00 pm - 9:45 pm)
- Total = 100 points

Final letter grades will be assigned based on the following scale:

- A, 90 to 100
- B, 80 to 89
- C, 70 to 79
- D, 60 to 69
- F, Below 60

Extra credit questions will be included on the exams at the discretion of the instructor. There will not be any additional extra credit other than that specified above. **Do not contact me requesting additional extra credit assignments.**

6 Exams

If you have a **valid reason** for missing an exam, you must let me know immediately. This will allow us to schedule an alternative time for you to take the exam. The dates of both exams are listed above. Please check dates against your calendar and let me know if you anticipate any schedule conflicts.

6.1 Valid Reasons for Missing an Exam

Valid reasons for missing an exam include a documented medical illness that prevent you from taking the exam, a death in your immediate family, or a documented mandatory court date. On the other hand, being confused about the time of the exam, having non-refundable airplane tickets that conflict with the date, family vacations, trouble with transportation, etc. are NOT valid reasons. All valid reasons must be justified with documentation.

7 Attendance

Experience indicates that students who attend class regularly perform better on exams than students who do not attend. As such, attendance is mandatory and I will take roll every class. If you must miss a class, please let me know ahead of time (or ASAP). University policy states that all instructors must, on a date after the mid-point of the course (to be set by the Provost),

1. Give a WF to all those students who are on their rolls, but no longer taking the class; and
2. Report the last day the student attended or turned in an assignment

8 Other Important Information

8.1 Students With Disabilities

The Center for Accommodations and Support Services (CASS) aspires to provide students with disabilities, accommodations and support services to help them pursue their academic, graduation, and career goals. If you have a disability and believe you may need services, you are encouraged to contact the center to discuss your needs with a counselor. All discussions and documentation are kept confidential. Contact: Monday through Friday 8:00 am - 5:00 pm Phone: (915)747-5148. Location: Union Building East Room 106. E-mail: cass@utep.edu

8.2 In-Class Manner

Students are expected to behave properly in class, so as not to interfere with the learning environment of others in the classroom. Proper behavior includes arriving to class on time and remaining until class is dismissed. If you should need to leave class early you should inform me before the start of class. Students should not engage in private conversations outside of the course subject matter as this is distracting to other students and the instructor. Students no adhering to these rules/guidelines may be asked to leave the class and may be subject to an administrative withdrawal (depending on the severity of the infraction).

8.3 Syllabus

This syllabus contains important information about this class including exam dates, coverage of course material, class policies, and my contact information. Students are responsible for reading this syllabus and understanding the information contained in it.

8.4 Course Evaluation

Your constructive assessment of this course plays an indispensable role in shaping education at UTEP. Upon completing the course, please take the time to fill out the online course evaluation.

This course syllabus provides a general plan for the course; deviations may be necessary.