



# EXTENDED CAMPUS

COLLEGE of PROFESSIONAL  
and CONTINUING STUDIES

## **ECON 5073-101: Contemporary Economic Methods and Analysis**

### **Course Description:**

This is a graduate level introduction to contemporary macroeconomic methods and analysis. We will compare and contrast different economic methods and also explore the determinants of several macroeconomic variables related to economic analysis in the short, medium and long run including national income, money and credit, inflation, employment, business cycles, financial crisis, open economy macroeconomics, and economic growth. The course is designed around lectures, assigned readings, and class discussions. The main objectives of the course are:

- To provide students with the theoretical knowledge behind macroeconomic policy-making including a variety of methods and models used for this purpose.
- To explain how the aggregate economy is structured (income measurement, inflation, employment, financial systems, etc.).
- To enable students to develop necessary skills to apply the methods and models to policy making as well as current economic debates.
- To discuss how monetary and fiscal policies can impact the aggregate economy.
- To explore the causes of long term economic growth and short term economic fluctuations.

### **Class Dates, Location and Hours:**

Dates: May 11 - 13 & 18 - 20, 2018

Location: OCCE, Norman, Oklahoma. Classes are held at the Thurman White Forum Building of OCCE, 1704 Asp Avenue.

Hours: Friday 5:30 - 9:30 p.m.; Saturday 8:30 a.m. - 4:30 p.m.; Sunday 1:00 - 5:00 p.m.

Last day to enroll or drop without penalty: April 12, 2018

### **Site Director:**

Email: [apnorman@ou.edu](mailto:apnorman@ou.edu). Phone: 405-325-3333.

### **Professor Contact Information:**

Course Professor: Firat Demir, Ph.D.  
Mailing Address: Dept. of Economics  
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308 Cate Center Drive  
Norman, OK 73019-2103

Telephone Number: 405-325-5844

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E-mail Address: [fdemir@ou.edu](mailto:fdemir@ou.edu)

Web: <http://firatdemir.oucreate.com>

Professor availability: The professor will be available via e-mail to students before and after the class sessions. On-site office hours are half an hour before and after each class session, by appointment.

## Textbook(s) and Instructional Materials:

Student materials are available at the OU Follett Bookstore located at 1185 Asp Avenue; Norman, OK, and can be ordered online, by phone, by email, or by fax. Ordering online at <http://www.bkstr.com/oklahomastore/home> is strongly recommended – students can track the status of their order within 48 hours. If an order has not been shipped within three days, students can contact the Follett textbook manager by phone (405) 325-3511, (800) 522-0772 (toll-free) or email [0831mgr@fheg.follett.com](mailto:0831mgr@fheg.follett.com). Phone orders (ask for the textbook manager and identify yourself as an Advanced Programs student) can be placed 8 a.m. to 6 p.m. Monday through Thursday; 8 a.m. to 5 p.m. on Friday; 10 a.m. to 4p.m. on Saturday (CST). Summer hours: 9 a.m. to 5 p.m. Monday through Friday (CST). Fax orders can be placed 24 hours a day at (405) 325-7770. Text prices are available online.

1. Blanchard, O. & Johnson, D. (2016). *Macroeconomics*, (6<sup>th</sup> ed.). Upper Saddle River, NJ: Prentice Hall. ISBN 9780133780581. The textbook web site includes useful study guides and internet exercises. The earlier editions are also accepted. However, note that chapter and page numbers in the syllabus refer to those from the 6<sup>th</sup> edition.
2. Materials posted on the OU Canvas learning management system: Access Canvas at <https://canvas.ou.edu>, enter your OU NetID and password, and select course to access material. If you require assistance with Canvas, please click on the Help icon. You can search the Canvas guides, chat with Canvas support, or contact OU IT.

Note: The Follett/AP Bookstore is the Advanced Programs contractual textbook provider. Should text changes become necessary after publication of the course syllabus, Advanced Programs will facilitate text returns/refunds only for texts purchased through the Follett/AP Bookstore.

## Useful Websites

- Bureau of Economic Analysis: [www.bea.gov](http://www.bea.gov)
- Bureau of Labor Statistics: [www.bls.gov](http://www.bls.gov)
- Economic Report of the President: [www.gpoaccess.gov/eop/](http://www.gpoaccess.gov/eop/)
- Federal Reserve System: [www.federalreserve.gov](http://www.federalreserve.gov)
- US Treasury: <http://www.ustreas.gov>
- International Monetary Fund: [www.imf.org](http://www.imf.org)
- World Bank: [www.worldbank.org](http://www.worldbank.org)
- European Central Bank Statistical Data Warehouse: <http://sdw.ecb.int/>

## Course Outline:

### Introduction

1. The Vocabulary of Macroeconomics, Ch. 2
2. Macroeconomics in the Real World, Ch. 1; IMF, World Economic Outlook, October. 2017, Ch. 1.

### The Core: Models and Policy Analysis

1. The Goods Market, Ch. 3
2. Financial Markets, Ch. 4
3. Goods and Financial Markets: The IS-LM model, Ch. 5
  - a. Leonhardt, D. 2016. The American Dream, Quantified at Last, [https://www.nytimes.com/2016/12/08/opinion/the-american-dream-quantified-at-last.html?\\_r=3](https://www.nytimes.com/2016/12/08/opinion/the-american-dream-quantified-at-last.html?_r=3). *New York Times*, December 8.
  - b. Rushe, D. 2017. We are a cautionary tale': Kansas feels the pain of massive Trump-style tax cuts, <https://www.theguardian.com/us-news/2017/may/15/kansas-trump-style-tax-cuts-economic-disaster>. *The Guardian*, May 15.
  - c. Russell Cobb, 2017. Oklahoma isn't working. Can anyone fix this failing American State?, *The Guardian*, Tuesday 29. <https://www.theguardian.com/us-news/2017/aug/29/oklahoma->

- [education-system-four-day-school-weeks-poor?CMP=share\\_btn\\_fb.](#)
- d. Hobson, J. 2017. What Happened To The Economy In Kansas?, WBUR October 25. <http://www.wbur.org/hereandnow/2017/10/25/sam-brownback-kansas-tax-cuts>.
  4. The Labor Market and the Rate of Structural Unemployment, Ch. 6; P. Krugman (2010). Structure of Excuses, NYT, <http://www.nytimes.com/2010/09/27/opinion/27krugman.html>; L. Mishel (2011). Regulatory Uncertainty, EPI, <http://www.epi.org/publication/regulatory-uncertainty-phony-explanation/>.
  5. Technological Progress, Wages, and Unemployment:
    - a. Howell, D.R (1994). The Skills Myth. The American Prospect, 5(18). pp.81-90.; <http://prospect.org/article/skills-myth>.
    - b. Levy, F. (2007). The Failed Promise. Challenge November-December. <https://www.tandfonline.com/doi/pdf/10.2753/0577-5132500601>.
    - c. Glyn, D. Howell and J. Schmitt (2006). Labor Market Reforms: The Evidence Does Not Tell the Orthodox Tale, Challenge 49(2): 5-22. [http://www.jstor.org/stable/40722365?seq=1#page\\_scan\\_tab\\_contents](http://www.jstor.org/stable/40722365?seq=1#page_scan_tab_contents).
    - d. Bivens, J. 2017. Cutting corporate taxes will not boost American wages, <https://www.epi.org/publication/cutting-corporate-taxes-will-not-boost-american-wages/>, October 25.
    - e. Hungerford, T.L. 2013. Corporate tax rates and economic growth since 1947, EPI Issue Brief 364. <http://www.epi.org/publication/ib364-corporate-tax-rates-and-economic-growth/>.
  6. Economic Growth
    - a. Stylized Facts and introduction to economic growth, Chs. 10, 11
  7. Current Policy Issues: The Great Recession: Global Financial Crisis of 2008- 2011, Ch. 9;
    - a. Handout; Krugman (2009) How Did Economists Get It So Wrong? NYT Magazine; <http://www.nytimes.com/2009/09/06/magazine/06Economic-t.html?pagewanted=all>.
    - b. Stiglitz, J. (2008) Capitalist Fools, *Vanity Fair*; <https://www.vanityfair.com/news/2009/01/stiglitz200901>.
    - c. Stiglitz (2011) Of the 1%, by the 1%, for the 1%, *Vanity Fair*. <https://www.vanityfair.com/news/2011/05/top-one-percent-201105>.
    - d. Krugman (2011) Can Europe Be Saved, NYT Magazine. <http://www.nytimes.com/2011/01/16/magazine/16Europe-t.html?pagewanted=all>.
    - e. Johnson, S. 2009. The Quiet Coup, <http://www.nytimes.com/2011/01/16/magazine/16Europe-t.html?pagewanted=all>. *The Atlantic*.
    - f. Rodrik, D. The fatal flaw of neoliberalism: it's bad economics, [https://www.theguardian.com/news/2017/nov/14/the-fatal-flaw-of-neoliberalism-its-bad-economics?CMP=share\\_btn\\_link](https://www.theguardian.com/news/2017/nov/14/the-fatal-flaw-of-neoliberalism-its-bad-economics?CMP=share_btn_link). *The Guardian*, November 14, 2017.
    - g. White, L. J. 2010. The Credit Rating Agencies. *Journal of Economic Perspectives* 24(2): 211-226. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.24.2.211>.
    - h. Rajan, R. 2010. Why Did Economists Not Foresee the Crisis? *Project Syndicate*. <https://www.project-syndicate.org/commentary/why-did-economists-not-foresee-the-crisis?barrier=accessreg>.

**Assignments, Grading and Due Dates:**

**Post Seminar Assignment:**

Complete a term paper (5-8 pages single-spaced) on any topic dealing with contemporary macroeconomic issues (a detailed guideline is posted on Canvas under contents/assignments section). The paper needs to use one or more concepts/models used in the class in the analysis. The paper should be submitted by using the dropbox folder on Canvas. Due Date: **June 4, 2018 (two weeks after class)**.

**Optional Assignments:**

There will be optional assignments posted on Canvas for an additional 10% bonus (in total). The bonus assignments also need to be submitted on Canvas. **Due date: May 27, 2018.**

**Grading:**

This is a letter-graded course: A, B, C, D, or F.

<b>Assignment</b>	<b>Due Date</b>	<b>Grading</b>
In-class quizzes & participation	In-class	20% of final grade
Final Examination	Last day of class	40% of final grade
Post Seminar Paper	<b>June 4, 2018</b>	40% of final grade

**Notice:** Failure to meet assignment due dates could result in a grade of I (Incomplete) and may adversely impact Tuition Assistance and/or Financial Aid.

## **POLICIES AND NOTICES**

### **Attendance/Grade Policy**

Attendance and participation in interaction, individual assignments, group exercises, simulations, role playing, etc. are valuable aspects of any course because much of the learning comes from discussions in class with other students. It is expected that you attend all classes and be on time except for excused emergencies.

Excused absences are given for professor mandated activities or legally required activities such as emergencies or military assignments. It is the policy of the University to excuse absences of students that result from religious observances and to provide without penalty for the rescheduling of examinations and additional required class work that may fall on religious holidays. Unavoidable personal emergencies, including (but not limited to) serious illness; delays in getting to class because of accidents, etc.; deaths and funerals, and hazardous road conditions will be excused.

If you are obtaining financial assistance (TA, STAP, FA, VA, Scholarship, etc.) to pay all or part of your tuition cost, you must follow your funding agency/institution's policy regarding "I" (Incomplete) grades unless the timeline is longer than what the University policy allows then you must adhere to the University policy. Students who receive Financial Aid must resolve/complete any "I" (Incomplete) grades by the end of the term or he/she may be placed on "financial aid probation." If the "I" grade is not resolved/completed by the end of the following term, the student's Financial Aid may be suspended making the student ineligible for further Financial Aid.

Students are responsible for meeting the guidelines of Tuition Assistance and Veterans Assistance. See the education counselor at your local education center for a complete description of your TA or VA requirements.

### **Academic Integrity and Student Conduct**

Academic integrity means honesty and responsibility in scholarship. Academic assignments exist to help students learn; grades exist to show how fully this goal is attained. Therefore all work and all grades should result from the student's own understanding and effort.

Academic misconduct is any act which improperly affects the evaluation of a student's academic performance or achievement. Misconduct occurs when the student either knows or reasonably should know that the act constitutes misconduct. Academic misconduct includes: cheating and using unauthorized materials on examinations and other assignments; improper collaboration, submitting the same assignment for different classes (self-plagiarism); fabrication, forgery, alteration of documents, lying, etc...in order to obtain an academic advantage; assisting others in academic misconduct; attempting to commit academic misconduct; destruction of property, hacking, etc...; intimidation and interference with integrity process; and plagiarism. All students should review the Student's Guide to Academic Integrity at [http://integrity.ou.edu/students\\_guide.html](http://integrity.ou.edu/students_guide.html)

Students and faculty each have responsibility for maintaining an appropriate learning environment. All students should review policies regarding student conduct at <http://studentconduct.ou.edu/>

### **Accommodation Statement**

The University of Oklahoma is committed to making its activities as accessible as possible. For accommodations on the basis of disability, please contact your local OU Site Director.

### **Adjustment for Pregnancy/Childbirth-Related Issues**

Should you need modifications or adjustments to your course requirements because of documented pregnancy-related or childbirth-related issues, please contact me as soon as possible to discuss. Generally, modifications will be made where medically necessary and similar in scope to accommodations based on temporary disability. Please see <http://www.ou.edu/content/eoo/faqs/pregnancy-faqs.html>.

## **Title IX Resources**

For any concerns regarding gender-based discrimination, sexual harassment, sexual misconduct, stalking, or intimate partner violence, the University offers a variety of resources, including advocates on-call 24/7, counseling services, mutual no-contact orders, scheduling adjustments, and disciplinary sanctions against the perpetrator. Please contact the Sexual Misconduct Office at [smo@ou.edu](mailto:smo@ou.edu) or (405) 325-2215 (8-5), or the Sexual Assault Response Team at (405) 615 -0013 (24/7) to report an incident. To learn more about Title IX, please visit the Institutional Equity Office's website at <http://www.ou.edu/content/eoo.html>

## **Course Policies**

Advanced Programs policy is to order books in paperback if available. Courses, dates, and professors are subject to change. Please check with your OU Site Director. Students should retain a copy of any assignments that are mailed to the professor for the course. Advanced Programs does not provide duplicating services or office supplies.

Any and all course materials, syllabus, lessons, lectures, etc. are the property of professor teaching the course and the Board of Regents of the University of Oklahoma and are protected under applicable copyright.

For more information about Advanced Programs, visit our website at: <http://www.goou.ou.edu/>

## INSTRUCTOR VITA

**Firat Demir, Ph.D.**

### Education

- Ph.D. in Economics, University of Notre Dame, 2006.
- M.A. in Economics, University of Notre Dame, 2002.

### Current Positions

- Associate Professor, Department of Economics, University of Oklahoma, 2012 – present.
- Assistant Professor, Department of Economics, University of Oklahoma, 2006 – present.

### Frequently Taught Advanced Programs Courses

ECON 5633 International Economics – Finance; ECON 5990 Comparative Economic Systems

### Major Areas of Teaching and Research Interest

- International Finance
- Development Economics
- Political Economy

### Representative Publications and Presentations

#### Books

“South-South Trade and Finance in the 21st Century: Rise of the South or a Second Great Divergence.” Forthcoming, Anthem Press, 2016 (with O.S. Dahi).

#### Publications in Refereed Journals

- “Effects of FDI Flows on Institutional Development in the South: Does It Matter Where the Investors are from? *World Development* 78, 341 – 359, 2016.
- “Institutional Differences and Direction of Bilateral FDI Flows: Are South-South Flows any Different than the Rest?” Forthcoming in *The World Economy*, 2016 (with C. Hu).
- “Total Factor Productivity, Foreign Direct Investment and Entry Barriers in Chinese Automobile Industry” Forthcoming in *Emerging Markets Finance and Trade*, 2015. (with L. Su).
- “Firm Productivity, Exchange Rate Movements, Sources of Finance and Export Orientation.” *World Development* 54: 204 – 219, 2014 (with M. Caglayan).
- “Preferential Trade Agreements and Manufactured Goods Trade: Does It Matter Whom You PTA With?” *Applied Economics* 45(34): 4754 – 4772, 2013 (with O.S. Dahi).
- “Growth under Exchange Rate Volatility: Does Access to Foreign or Domestic Equity Markets Matter.” *Journal of Development Economics* 100(1): 74 – 88, 2013.
- “Asymmetric Effects of Financial Development on South-South and South-North Trade: Panel Data Evidence from Emerging Markets.” *Journal of Development Economics* 94(1): 139-149, 2011 (with O.S. Dahi).
- “Exchange Rate Volatility and Employment Growth in Developing Countries: Evidence from Turkey.” *World Development* 38(8): 1127-1140, 2010.
- “Financial Liberalization, Private Investment and Portfolio Choice: Financialization of Real Sectors in Emerging Markets.” *Journal of Development Economics* 88(2): 314-324, 2009.

### Representative Honors and Awards Received

Fulbright Fellow, University of Montenegro, 2015-2016.

### Major Professional Affiliations

- Eastern Economic Association
- Southern Economic Association