



Minzu University of China
ECON102 Principles of Macroeconomics
Summer 2020

Basic Information

Class hours: Monday through Thursday, 2 hours each day
Discussion: Friday, 1 hour (60 minutes)
Review Section: Saturday, 1 hour (60 minutes)
Office Hour: 2 hours (According to professors' teaching plan)
Field trip: According to professors' teaching plan
Credit: 4
Total contact hours: 60 (50 minutes each)
Instructor: Jong H. Kim

Required Textbook

Paul Krugman and Robin Wells, *Macroeconomics*, 4th edition, Worth Publishing. ISBN-13: 978-1464110375

Prerequisite: *Principles of Microeconomics* (ECON101)

Optional but Highly Recommended Reading

The Wall Street Journal, *Financial Times*, and *The Economist* are useful sources for understanding real-world events.

*The *EconPortal* for the textbook on the publishing company's website offers online self-assignment tests, assignments, an electronic version of the textbook, and other features. The instructor will send separate instructions about how to acquire access to the *EconPortal*.

**In addition, the instructor will post some reading materials obtained from newspapers, magazines and other sources on the website as the semester goes by.

Course Objectives

The main objective of this course is give students a basic understanding about the system of overall economy; i.e., macroeconomics is the study of the economy as a whole. In this course, we will study the economy in a broader context, such as the characteristics of aggregate economic variables (GDP, economic growth, inflation, unemployment, interest rate, and exchange rate), and how fiscal and monetary policies affect the performance of the economy. In the process of the course, we will connect macroeconomic knowledge taught in the class the real-world events covered in media, newspapers, and economic magazines.

Course Description

This course provides an introduction to macroeconomics, the study of economics at an aggregate level. The goal of this course is to help students develop a basic understanding of the major economic events that shape the economy and the world around us. Indeed, there may not be a better time to take this course! Recent years have seen crises in U.S. housing and financial markets spill over to the global economy, with significant effects on foreign trade, employment, production, and asset prices. In this class, we will explore the origins of the recent crises, develop tools to evaluate the recovery policies put in place by the U.S. and other countries, and explore how the recent macroeconomic developments relate to past experiences. Understanding macroeconomic crises and policy responses are just part of what the course covers. In addition, we will investigate the determinants of long-run economic growth, the tradeoffs between inflation and unemployment, the role of government spending and tax policies, and the international movement of assets and goods.



Assigned Readings and Homework Assignments

Students are expected to complete the reading prior to the lecture. The lectures and applications draw heavily on the assigned readings and homework assignments. The homework problems, at the end of each week, have been designed to illustrate theoretical concepts algebraically and in a graph. Working through the homework problems is important to a good understanding of the various economic concepts this course will explore. Students are able to do homework problems in a group, but must submit their own work.

Evaluation: your course grade is based on

Quizzes:	20%
Assignments:	10%
Midterm exam:	30%
Final exam (cumulative):	40%
Attendance & class participation:	5%

The in-class quizzes will be given at the end of each chapter. The tests will be objective, with the material drawn from your notes, and text definitions, graphs, and case studies. You must bring a #2 pencil, preferably with an eraser.

Students must be present for all scheduled tests. A make-up test will only be given in the event of a medical emergency and upon presentation of a verifiable doctor’s excuse. Scheduling vacations during exam week is not a valid excuse for missing or rescheduling the test.

Grades:

A+ = 97-100; A = 94-96 A- = 90-93; B+ = 87-89; B = 84-86; B- = 80-83; C+ = 77-79
C = 74-76; C- = 70-73; D+ = 67-69; D = 64-66; D- = 60-63; F = Below 60

Expectations of Classroom Behavior

Students and the instructor each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to behavioral standards may be subject to discipline. The instructor has the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions.

Academic Honesty

Students should be familiar with the Minzu University of China Academic Honor Code, which is available at the university’s website. In particular, for the assignments, students are encouraged to work together with classmates, but must hand in their own answers.

Tentative Course Outline

*Please note that the instructor reserves the authority to change the order of topics, or to drop topics from the list. However, he/she will not add new topics.

Dates	Topics	Reading	
1 st week	Introduction to Macroeconomics		
	D1	Course introduction Macroeconomics: The Big Picture	Syllabus Chapter 6
	D2	GDP and the CPI: Tracking the Macroeconomy Quiz #1	Chapter 7
	D3	Unemployment and Inflation Quiz #2 & Homework #1	Chapter 8
	Long-run Economic Growth		
	D4	Long-run Economic Growth	Chapter 9
	D5	Review session	



2 nd week	Long-run Economic Growth		
	D1	Savings, Investment Spending, and the Financial System Quiz #3 & Homework #2	Chapter 10
	D2	Savings, Investment Spending, and the Financial System Appendix: Understanding of the Present Value	Chapter 10
	Short-run Economic Fluctuations		
	D3	Income and Expenditure Quiz #4 & Homework #3	Chapter 11
	D4	Appendix: Deriving the Multiplier Algebraically Quiz #5	Chapter 11
	D5	Review session	
3 rd week	D1	Aggregate Demand (AD) and Aggregate Supply (AS)	Chapter 12
	D2	Aggregate Demand (AD) and Aggregate Supply (AS)	Chapter 12
	Stabilization Policy		
	D3	Fiscal Policy Quiz #6 & Homework #4	Chapter 13
	D4	Appendix: Taxes and the Multiplier Money, Banking, and the Federal Reserve	Chapter 13 Chapter 14
	D5	In-class Midterm Exam	
4 th week	D1	Money, Banking, and the Federal Reserve	Chapter 14
	D2	Monetary Policy Quiz #7 & Homework #5	Chapter 15
	D3	Appendix: Reconciling the Two Models of the Interest Rate Inflation, Disinflation, and Deflation	Chapter 15 Chapter 16
	D4	Inflation, Disinflation, and Deflation Quiz #8	Chapter 16
	D5	Review session	
	5 th week	Stabilization Policy	
D1		Inflation, Disinflation, and Deflation Quiz #9 & Homework #6	Chapter 16
D2		Quiz #10 Special Topic: the Phillips Curve	Chapter 16
Open Economy			
D3		International Macroeconomics	Chapter 18
D4		International Macroeconomics	Chapter 18
D5		Final Exam	