



**University of International Business and Economics
International Summer School**

ECON 105 Macroeconomics

Term: July 10 – August 4, 2017

Instructor: Kevin H. Zhang

Home Institution: Illinois State University

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Class Hours: Monday through Friday, 120 minutes each day (2,400 minutes in total)

Office Hours:

Teaching Assistant: TBD

Email: TBD

Discussion session: 2 hours each week

Total Contact Hours: 64 contact hours (45 minutes each, 48 hours in total)

Credit: 4 units

Course Description

Macroeconomics focuses on the economy as a whole and determinants of such key macroeconomic variables as economic growth, unemployment, and inflation. Why should we embark on the study of macroeconomics? First, to study macroeconomics will help us understand the world in which we live. We will have answers from studying macroeconomics to such questions as why jobs are easy to find in some years and hard to find in others, and why airlines charge less for a round-trip ticket if the traveler stays over a Saturday night. Second, to study macroeconomics will make us become more astute in going about our life with many macroeconomic decisions. While studying macroeconomics will not by itself make us rich, it will give us some tools that may help in that endeavor. Third, macroeconomics will teach us how to assess and choose a better economic policy, whether we are voters or decision-makers.

Course Goals

When you have completed this course, you should be able to do following:

- ✧ Apply basic macroeconomic concepts to your daily life as well as specific situations;
- ✧ Identify basic macroeconomic concepts used in daily newspapers, magazines, and TV programs;
- ✧ Interpret economic data, e.g., data on prices and quantities of specific goods and services, GDP, unemployment, and inflation;
- ✧ Critically evaluate the claims of politicians and other policymakers regarding the welfare effects of their proposals.

Required Text

N. Gregory Mankiw, *Principles of Economics*, 7th or 6th Edition, South-Western Cengage Learning, USA, 2015 or 2012.

Attendance

One thing you can promote your performance in this course is to attend every class, because the materials in this course are challenging and much of them build on previous lectures. You will sign on an attendance sheet in each class, and will receive 40 points for full attendance. You would lose 3 points if you miss one class without excuse.

Grading Policy

Your grades are based on a total of 300 points, which are acquired as follows:

4 Exams	= 200 points total, 50 points for each
4 Homework Sets	= 100 points total, 25 points for each
Attendance	= 40 points, 3 points are taken off if missing one class
Total	= 340

- ✧ **Exams:** Two exams are non-comprehensive and each exam consists of 25 multiple-choice questions. Please note that NO MAKE-UP EXAMS WILL BE GIVEN.
- ✧ **Homework:** Two homework sets are distributed during the course in order to give you practice working with the concepts introduced in the class and also to prepare you for the exams. Homework serves as a sample exam in the sense that their questions are similar to those of exams in topics, difficulty degree, and number of questions. The failure to try all questions is viewed as an indication of lack of effort, besides costing you the points you could have earned on the homework.

Some specific policies are as follows:

- ✧ If you miss an exam without an excused absence, you will receive a zero on it. No make-up exams are given.
- ✧ If an illness or some emergency prevents you from attending class, or taking one of exams, please try to discuss this with me **before** the class and the exam. Documentation (notification from doctor, for instance) *may be* required. If you don't contact me until after the exam, documentation *will be* required. If you are excused from one exam, then the score for the missing exam is average of other three exam scores. Similar policy applies for homework. You also will not lose 4 points for attendance if you contact me before the class.
- ✧ **Late homework will not be accepted** because the answer key is distributed on the due day.
- ✧ Anyone caught cheating on any exam or quiz will receive an "F" in the class and will have their case referred to the Student Judicial Office for additional disciplinary action.

Grading Scale

Grades are based completely on the work listed above. NO extra credit work is given under any circumstances. The scale for semester grades is as follows:

- A 90-100
- A- 85-89
- B+ 82-84
- B 78-81
- B- 75-77
- C+ 72-74
- C 68-71
- C- 64-67
- D 60-63
- F below 60

Course Hours

The course has 20 class sessions in total. Each class session is 120 minutes in length for a total of 2,400 minutes of class time. The course meets from Monday to Friday.

Class Rules

Many students perceive economics as being a very difficult, if not impossible, course to master. However, this perception is, in all likelihood, based on observations of the experiences of other students who did not apply the proper approach to learning economics. In many courses, simple memorization is enough. This is not the case in economics. In this course you will need to understand the meaning of basic terms and concepts, but you will also be required to demonstrate the ability to apply economic concepts in specific situations. In other words, you will be required to demonstrate the ability to think like an economist!

I recommend the following approach to studying and learning economics.

- ✧ Read over the material we will be covering in class before each session. The idea is not to master the material being covered but simply to familiarize you with the concepts to be covered in class. In addition, start working on the questions in the study guide that your group will be working on during the next class session.
- ✧ Attend each class, take good notes, and assume an active role within your group.
- ✧ After class, read the text again, study your notes and continue working in the study guide.
- ✧ Form a study group that meets outside of class on a regular basis to go over the material, work on homework, and go over problems in the study guides.
- ✧ See me if you feel lost. Don't wait as things will only get worse! You (and the taxpayers of Illinois) are paying me to teach this course, so take advantage of my services. If you can't make office hours, see me after class or call/email me, and we will set up a mutually convenient time.

Course Topics and Schedule

1.The Science of Macroeconomics

Part I: Introduction

2.Measuring a Nation's Income

3.Measuring the Cost of Living

Part II: Growth Theory and Policy: The Economy in the Very Long Run

4.Economic Growth I: The theory of Productivity

5.Economic Growth II: Policies of Growth

Part III: Classical Theory: The Economy in the Long Run

6.Saving, Investment, and Financial System

7.The Monetary System

8.Inflation: Its Causes, Effects, and Social Costs

9.Unemployment

Part IV: Macroeconomics of Open Economies

10. Open-Economy Macroeconomics: Basic Concepts

11. A Macroeconomic Theory of the Open Economy

Part V: Business Cycle Theory and Policy: The Economy in the Short Run

12. Aggregate Demand (AD) and Aggregate Supply (AS)

13. Influences of Monetary and Fiscal Policy on AD

14. The Short-run Trade off between Inflation and Unemployment

Part VI: Final Thoughts

15. Six Debates over Macroeconomic Policy