

University of International Business and Economics International Summer School

ECON 105 Macroeconomics

Term: May 28 – June 28, 2018

Instructor: Kevin H. Zhang

Home Institution: Illinois State University

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Class Hours: Monday through Thursday, 120 minutes each day

Office Hours: TBD

Discussion session: 2 hours each week

Total Contact Hours: 66 contact hours (45 minutes each)

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 mass media;
- ✧ Interpret economic data, e.g., data on 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 Macroeconomics*, 7th Edition, South-Western Cengage Learning, USA, 2015. This text is available in a Kindle edition.

Grading Policy:

Your grades are based on a total of 340 points, which are acquired as follows:

3 Exams	= 200 points total, 59% of semester grade
3 Homework Sets	= 100 points total, 29% of semester grade
Attendance	= 40 points, 3 points are taken off if missing one class
Total	= 340

Exams: Three exams are non-comprehensive and each exam consists of 30-40 multiple-choice questions. Please note that NO MAKE-UP EXAMS WILL BE GIVEN.

Homework: Three 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.

Grading Scale:

Assignments and examinations will be graded according to the following grade scale:

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

Class Rules:

Students are expected to:

- ✧ Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade.
- ✧ Complete the day's required reading and assignments before class
- ✧ Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading
- ✧ DO NOT text, phone or engage in computer activities unrelated to class during class time
- ✧ Participate in class discussions and complete required written work on time

Attendance Policy:

Summer school is very intense and to be successful, students need to attend every class. Attendance will be recorded. Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. Any unexcused absence may impact on the student's grade. Moreover, UIBE policy is that a student who has missed more than one-third of a course will fail the course. You would lose 3 points if you miss one class without excuse.

Course Schedule:

The planned schedule below may be modified to suit the interests or abilities of the enrolled students or to take advantage of special opportunities or events that may arise during the term.

Dates	Topic	Readings
28-29 May	Introduction to Macroeconomics	Chapters 1-3
30-31 May	Productivity, Growth Theory and Policy	Chapters 4-5
4 -5 June	Unemployment, Saving, and Investment	Chapter 6-7

6 June	Summary and Review	Chapters 1-7
7 June	<i>Midterm Exam One</i>	
11-12 June	Monetary System and Inflation	Chapters 8-9
13-14 June	Open-Economy Macroeconomic Theory	Chapters 10-11
18 June	Summary and Review	Chapters 8-11
19 June	<i>Midterm Exam Two</i>	
20-21 June	AD-AS Model, Monetary and Fiscal Policies	Chapters 12-13
25-26 June	Short-Run Phillips Curve and Debates on Policy	Chapters 14-15
27 June	Summary and Review	Chapters 12-15
28 June	<i>Final Exam</i>	

Course Outline:

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: Theory of Productivity
5. Economic Growth II: Policies of Growth

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

6. Unemployment
7. Saving, Investment, and Financial System
8. The Monetary System
9. Inflation: Its Causes, Effects, and Social Costs

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 Tradeoff between Inflation and Unemployment

Part VI: Final Thoughts

15. Six Debates over Macroeconomic Policy