

Intermediate Economics: Macroeconomic Analysis
ECON 300: Section 701
Summer Session II, 2004

M-F 10.30-11.45 BUSAD D104
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Course Description

This class develops analytical skills and fundamental concepts that economists need in order to understand the overall macroeconomic policies. There are three major parts in this course. After understanding the macroeconomic data, in the first part we study the classical theory of the long run economic behavior where prices are perfectly flexible. This part covers the determinants of the level of national income, money and inflation, interest rate, exchange rate, capital flows, international trade, and the natural rate of unemployment. In the second part we study the very long run economic behavior and the neoclassical economic growth models. The main objectives are to understand what cause economic growth and how the government policies impact the macroeconomy. The last part focuses on the short run economic behavior when prices are not flexible. Keynesian IS-MP model is used to explain the economic fluctuations and aggregate demand. By combining the IS-MP model with a model of supply in the short run, we can analyze some economic issues, such as the short-run trade off between inflation and unemployment, the impact of the change in the interest rate on inflation rate, unemployment rate, and exchange rate, etc.

Prerequisites: ECON 130 and 131
Required Textbook: Mankiw, Greg N. (2003) Macroeconomics, Fifth edition, Worth Publishers

Grading:

Problem Sets and Class Participation	20%
Pop Quizzes	5%
Exam I	25%
Exam II	25%
Exam III	25%

Policies:

- There will be no make up exams or quizzes, except for medical emergencies. If you cannot take exams on any of these dates, please let me know by the first week of the semester.
- Problem sets are due at the beginning of the class on the due date. Late assignments will be penalized 10 % per day.
- Copying others' assignments will result in a zero grade on that assignment.

- It is the students' responsibility to cover all of the readings. Assigned readings for each class meeting should be read prior to class and then carefully reviewed after class. However, not all of the readings will be covered in detail in class.
- Class participation is encouraged and there could be some case studies that require the discussion.
- Course grades will be assigned using +/- grading.

Tentative Class Schedule

Date	Topics	Reference	Due Date
Introduction			
July 6	The Science of Macroeconomics	Ch1	
7	The Data of Macroeconomics	Ch2	
Classical Theory: The Economy in the Long Run			
8	National Income	Ch 3 (3.1-3.2)	
9		(3.3)	HW#1
12		(3.4-3.5)	
13	Money and Inflation	Ch4 (4.1-4.3)	
14		(4.4-4.8)	HW#2
15	The Open Economy	Ch5 (5.1-5.2)	
16		(5.2-5.3)	
19		(5.3)	
20	Unemployment	Ch6	HW#3
21	Exam I	Ch 1-6	
Growth Theory: The Economy in the Very Long Run			
22	Economic Growth I	Ch7 (7.1)	
23		(7.1)	
26		(7.2)	
27		(7.3-7.4)	
28	Economic Growth II	Ch8 (8.1-8.2)	HW#4
29		(8.3)	
30		(8.4-8.5)	HW#5
August 2	Exam II	Ch 7-8	
Business Cycle Theory: The Economy in the Short Run			
3	Introduction to Economic Fluctuation	Ch 9	
4	Aggregate Demand I	Ch10 (10.1)	
5		(10.1-10.2)	
6	Aggregate Demand II	Ch11 (11.1)	
9		(11.2-11.4)	
10	Aggregate Demand in the Open Economy	Ch12 (12.1-12.2)	
11		(12.3-12.7)	
12	Aggregate Supply	Ch13	
13	Exam III	Ch 9-13	