

Principles of Economics: Macroeconomics

Econ 131 (003)

Monday, Wednesday and Friday
10:30 – 11:20 AM
Bilger Hall 150

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Office Hours: Wednesday 13:00 – 14:30
Friday 13:00 – 14:30
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Teaching Assistant: to be announced

Course Description

This course introduces you to macroeconomic analysis. As an introductory course, it has no prerequisites. The course will examine how the entire economy operates and performs. It is designed to provide you with tools to understand various macroeconomics phenomena, such as: changes in general price level, employment and national income. What are the causes and consequences of those changes? What government can do to promote the key macroeconomics goals: stability, growth and equity?

Since the course is introductory in nature, some basic principles and tools in economics will be introduced in the early weeks of the semester.

Textbook

Mankiw, N. Gregory. 2002. *Principles of Macroeconomics, 3th Ed.* Thomson South-Western

Assigned textbook readings for each section are indicated in the course schedule. Additional supplemental readings discussing current events may be assigned as the course proceeds. You are responsible for all assigned materials, and for all materials covered in the lectures.

Requirements and Grades

HW and 5 in class quizzes	15
Midterm exam 1	20
Midterm exam 2	25
Final exam	40

Non-graded home works will be given regularly. You will get credit by submitting the homework on time.

Quizzes will consist of multiple choice questions. The short quizzes may be administered at the start of class or before the class end. There will be no make-up option for quizzes which are missed due to absence or late attendance.

Midterm and final exam questions will mostly consist of multiple choice questions and some short analytical questions. These exams will be held on the days in the course schedule. You must bring a valid picture ID card to each exam.

Course Schedule:

Quizzes and exams dates are firm, but lecture schedule is tentative

Date	Topic	Text chapter
August 25	Course Overview	
	A. Introduction	
August 27	Principles in economics	1
August 29	Economic model	2
September 1	Labor day	
September 3	Normative vs. positive economic analysis	2
September 5	Gain from trade	3
	B. How the Market Work	
September 8	Demand	4
September 10	Supply and market equilibrium	4
September 12	Quiz 1	1-4
September 15	Elasticity	5
September 17	Supply, demand and government policies	6
	C. Market and Welfare	
September 19	Efficiency of the market	7
September 22	Application: the cost of taxation	8
September 24	Application: international trade	9
September 26	Quiz 2	5-9
	D. Macroeconomic Data	
September 29	Measuring nation's income	10
October 1	Measuring cost of living	11
October 3	Review session	
October 6	Midterm Exam 1 Coverage: Part A, B, C	1-9
	E. The Real Economy in the Long Run	
October 8	Production and growth	12
October 10	Saving, investment and financial system	13
October 13	Saving investment and financial system	13
October 15	The basic tools of finance	14
October 17	Unemployment and its natural rate	15
October 20	Quiz 3	10-15
	F. Money and Prices in the Long Run	
October 22	Monetary system	16
October 24	Money growth and inflation	17

		G. The Macroeconomics of Open Economies	
October	27	Basic concepts: balance of payment	18
October	29	Price of international transaction	18
October	31	Exchange rate determination	18
November	3	A macroeconomic theory of the open economy	19
November	5	A macroeconomic theory of the open economy	19
November	7	Review session	
November	10	Midterm exam 2	10-19
		Coverage: Part E, F, G	
		H. Short Run Economic Fluctuation	
November	12	Aggregate demand	20
November	14	Aggregate supply	20
November	17	Fiscal policy	21
November	19	Fiscal policy	21
November	21	Monetary policy	21
November	24	Monetary policy	21
November	26	Quiz 4	20-21
November	28	Instructional Holiday	
December	1	SR trade off between inflation and unemployment	22
December	3	SR trade off between inflation and unemployment	22
		I. Final Thought	
December	5	Debates over macroeconomic policy	23
December	8	Quiz 5	22-23
December	10	Review session	
December	15	Final Exam (9:45-11:45)	1-23
		Coverage: comprehensive	
