

University of Hawaii
Department of Economics
ECON 300 (003): Intermediate Macroeconomics
Spring 2009
Monday, Wednesday 10:30am-11:45am
Business Administration Bldg D101

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Office Hours: 1:00pm-3:00pm, Wednesday
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Course Description and Learning Objectives

The goal of this course is to introduce macroeconomics using formal language. We will first introduce the *macro variables* such as income, employment, and price level and show how to measure them. We will then study specific *theoretical models*, which help to explain how the output, employment and price level are determined at any point in time. We start from the simple abstract static model, extend to include more sectors and dynamic setting. *General equilibrium approach* will be used to analyze the effects of monetary and fiscal policies. We will cover some applications of theory, especially as relevant to current macroeconomic issues.

This course aims to help students to understand and apply economic concepts and theories in a clear and effective manner. It will also provide students with quantitative skills by working with macroeconomic data to test and interpret the implications of the models covered in class. The skills developed in this course will also be essential for the study of higher level courses, such as Economic Development and Growth, International Trade, Monetary Economics, and others.

Textbook

Required Textbook: *Macroeconomics*, 2nd edition, by Stephen D. Williamson.

Course Requirements

Homework Assignments

There will be five homework assignments. They will be posted on my website during the semester. Homework assignments must be submitted at the beginning of the lecture on the due date. Late submissions will not be accepted at all. You must turn in your own work for homework assignments although you can work together. Identical (or essentially similar) assignments will all receive a grade of zero.

Exams

There will be a midterm exam and a final exam for this class. Midterm Exam is tentatively scheduled for March 18 in class. The final exam's schedule is May 11, 9:45am-11:45am, at the same classroom. Exams will cover materials from lectures, homework assignments and the textbook. Exams are not cumulative.

Grading Policy

	<u>Percentage of Final Grade</u>
Homework Assignments	30%
Midterm Exam	30%
Final Exam	40%

Grading Scale

Percentage	Grade
92-100	A
90-91	A-
88-89	B+
82-87	B
80-81	B-
78-79	C+
72-77	C
70-71	C-
68-69	D+
60-67	D
0-59	F

*I reserve the right to change these cut-off points.

Tentative Agenda:

Week 1: Introduction to Macroeconomics. Chapter 1.

Week 2 and 3: Measurement of macro variables and business cycle indicators. Homework #1 handed out. Chapter 2-3.

Week 4: Consumer and firm behavior: one-period model. Chapter 4. Homework #1 due.

Week 5: A closed-economy one period competitive equilibrium model. Chapter 5. Homework #2 handed out.

Week 6-7: Economic growth and the income disparity across countries. Chapter 6-7. Homework #2 due.

Week 8: A two-period model of consumption-savings decision. Chapter 8. Homework #3 handed out.

Week 9 and 10: A real intertemporal model with investment. Chapter 9. Midterm on March 20.

Week 11: Spring Break.

Week 12: Introducing money into the intertemporal model. Chapter 10. Homework #3 due.

Week 13: Market-clearing Business Cycle model. Chapter 11. Homework #4 handed out.

Week 14: Keynesian Business Cycle model. Chapter 12. Homework #4 due.

Week 15: Unemployment Theory. Chapter 16. Homework #5 handed out.

Week 16: Floating and final review. Homework #5 due.

Final Exam on May 11.