ECON 131: Principles of Macroeconomics  
SUMMER 2012  
MTWRF 1030-1145a

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Course Description:

This is an introductory course of macroeconomic principles. The focus of this course will be on key aggregate economic indicators, such as gross domestic product, the inflation rate, the unemployment rate, and long-term interest rates. We will also discuss economic development, globalization, and the role of international lending institutions. More generally, you will be taught to extend simple supply and demand models to better understand history, current global trends, and many popular economic fallacies.

Objectives:

Topics include gross domestic product, inflation, unemployment, and the business cycle  
By the end of this course, students should be able to:

Think like an economist in face of current economic phenomena;

Describe the market process in the simple supply and demand model;

Understand the concept of economic growth and its importance;

Discuss inflation;

Understand the unemployment rate;

Understand fiscal and monetary institutions;

Understand the arguments for discretion versus rules when it comes to formulating macroeconomic policy.

Texts:


Grading and Exams:

There will be one midterm exams throughout the course of the semester and one final exam. Class participation will rewarded
Class Attendance 10%
Class participation 10%
Homework 20%
Midterm exam 25%
Final exam 35%
TOTAL 100%

**Attendance and Fairness:**

I strongly suggest you come to every class. It is important to participate class discussion and share your views on current economy. I will only allow students to miss classes with legitimate excuses. Students to be excused for missing exams must give me notice early. No make-up exam will be given after no show-up without notice.

**Honor Code:**

Cheating is not tolerated. It is assumed that all students are aware of the rules described in the Honor Code. All suspected instances of cheating are turned over to the Honor Council. Copies of old exams do not circulate. Therefore, studying from old tests is a violation of the Honor Code.

**Exam Dates and Cancellations:**

To be announced in class

**Tentative Outline of Topics:**

1: A Crash Course in the Economic Way of Thinking

*Assigned Readings:* Mankiw Chs. 1-9

2: The Key Variables in the Macroeconomy

*Assigned Readings:* Mankiw Chs. 10-12

3: Savings, Investment, and Unemployment

*Assigned Readings:* Mankiw, Chs. 13-15

4: Monetarism and Stabilization Policy

*Assigned Readings:* Mankiw, Chs. 16-18

5: The Wealth of Nations and the International Economy

*Assigned Readings:* Mankiw, Chs. 19-23