SYLLABUS
ECON 300  SEC. 601
INTERMEDIATE ECONOMICS: MACROECONOMIC ANALYSIS
SUMMER SESSION I, 2004

INSTRUCTOR: Porntawee Nantamanasikarn
OFFICE LOCATION: Saunders 504
PHONE: 956 7938
OFFICE HOURS: Monday to Friday 1:00 pm-2.00 pm and by appointment.
EMAIL: porntawe@hawaii.edu
CLASS WEBSITE: www2.hawaii.edu/~porntawe

COURSE DESCRIPTION

In this course we develop analytical tools economists use to evaluate the performance of the overall economy and macroeconomic policy. After an introduction to macroeconomic data and its measurement, the course proceeds into three major parts. In part one, we study determinants of a country’s long run economic growth. Why are some countries so much richer than others? We will be studying the neoclassical Solow growth model and endogenous growth model. The emphasis in this part is on intuitive understanding of the engine of growth, rather than mathematical modeling.

In part two we study the classical theory of macroeconomics where prices are assumed to be completely flexible. We try to explain the determinants of the following key economic variables: the level and distribution of national income, money and inflation, difference between real and nominal interest rates, exchange rate, and the natural rate of unemployment.

In part three, the focus is on the (Keynesian) business cycle theory where prices are assumed to be sticky. Using IS-MP, AD-AS models, we seek to answer these interesting questions: how the government should use its policy instruments to alleviate the negative shock, like after 9/11 event? How would such policy work? Why there must be a trade-off between inflation and unemployment? How the Fed’s control of interest rate affects inflation rate, unemployment rate, and exchange rate?

REQUIRED TEXTBOOKS

David Romer, *Short-Run Fluctuations*, 2002. (To be distributed in class.)

SUPPLEMENTARY READINGS


The last two books are for your pleasure. They are highly readable. You will find (and appreciate) many relevant models we learn in class being applied in the real world.

**EXAMS AND GRADING POLICY**

The final grade will be based on three exams (25% each), homework assignments and class participation (25%). The exams correspond to each part of the course. I will regularly assign homework. You are encouraged to form a study group to help each other in doing homework but please make sure that you really understand the materials well. Simply copying others’ homework will result in a zero grade on that assignment. The homework is due at the beginning of the class on the due date. Late submission will result in 20% grade discount each business day. Course Grades will be assigned using +/- grading.

**MAKE-UP EXAMS**

Please note ahead the scheduled dates of the midterms and the final and make sure you can attend the exams. Unless you have a very good reason for missing the exams, no make-up exam will be given. The only acceptable reason for missing an exam is your own illness or other family emergencies. You must also have a signed excuse from your physician in case of illness stating the nature of your illness (a statement saying that you weren't feeling too well is NOT enough).

**DISABILITY**

Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss your specific needs. Please contact the KOKUA Program at 956-7511 at Queen Liliʻuokalani Center for Student Services 013 to coordinate reasonable accommodations for students with documented disabilities.
TENTATIVE CLASS SCHEDULE AND READING LIST

Introduction

May 24-May 26  Course Overview
               Ch1: The Science of Macroeconomics
               Ch2: The Data of Macroeconomics

Part I

May 27-June 4  Ch7: Economic Growth I
               Ch8: Economic Growth II
               Jones Ch.1, 4, 7

June 7        Exam I

Part II

June 7-June 18 Ch3: National Income
                 Ch4: Money and Inflation
                 Ch5: The Open Economy
                 Ch6: Unemployment

June 21        Exam II

Part III

Ch9: Introduction to Economic Fluctuations
Ch10: Aggregate Demand I (only section 10.1)
      David Romer’s Short-Run fluctuations

July 2        Exam III