Syllabus

Economics 340
Intermediate Macroeconomics
Summer Session II, 2005
MTWRF 10:30-11:45am, BUSAD E202

Instructor: Somchai Amornthum
Office: Saunders Hall 536
Office hours: MWF 1:00-2:00am or by appointment
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Course Website: http://www2.hawaii.edu/~amornthu/econ300/

Course Description:
This course develops the basic techniques and fundamental concepts used to study the overall macroeconomy and policies that affect it. We study the determinants of national income and long-run growth; the causes and consequences of unemployment, inflation and business cycle fluctuations; the determination of foreign exchange rates and current account imbalances; and the role of government policy in various settings. Throughout the course, an underlying goal is that students develop skill in critical economic reasoning.

Prerequisites:
Econ130 and/or Econ131

Required Text:

Course Grade and Policies:
Grades will be determined by your performance on one midterm exam, one final exam, five problem sets and several unannounced quizzes. Weighting of course grade is as the following.

- Pop Quizzes 15%
- Problem sets 15%
- Midterm Exam 35%
- Final Exam 35%
The unannounced quizzes will be given in class during the semester. These quizzes are designed to reward those who regularly attend class and do their work. Therefore, no make-up quiz will be given under any circumstance. Any missed quiz will be given a grade of zero. Assignment will be given out every Friday and will be due the following Tuesday. They are meant as a guideline on how to prepare for the exams. Students are encouraged to form a group study but are expected to submit the answers separately. Any assignment submitted after the end of class on its due date is considered late. Late assignments will be penalized 50% for each day. If you know that you cannot be in class on the due date, try to submit the day before. Make-up exams will be given for official excuses only. If you have problem with the Midterm date, please come to see me within the first week of the course. Final grades for the course will make use of the +/- grading option.

Students who may need special consideration because of any sort of disability should make an appointment with me immediately.

I will make extensive use of the internet to distribute course materials. Although I will attempt to notify you when major changes have been made to the website, it is your responsibility to check the course website on a regular basis.

**Tentative Schedule:**

<table>
<thead>
<tr>
<th>Week</th>
<th>Chapter</th>
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<tbody>
<tr>
<td>Wk. 1 (Jul. 5-8)</td>
<td><em>Part I: Introduction</em></td>
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<td>Ch. 1: Introduction to Macroeconomics</td>
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<td>Ch. 2: Measurement and Structure of the National Economy</td>
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<td><em>Part II: Long-Run Economic Performance</em></td>
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<td>Ch. 3: Productivity, Output and Employment</td>
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<td>Wk. 2 (Jul. 11-15)</td>
<td>Ch. 3 (Cont.)</td>
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<td>Ch. 4: Consumption, Saving and Investment</td>
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<td>Ch. 6: Long-Run Economic Growth</td>
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<td>Wk. 3 (Jul. 18-21)</td>
<td>Ch. 6 (Cont.)</td>
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<td>Ch. 7: The Asset Market, Money and Prices</td>
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<td><em>Part III: Business Cycles and Macroeconomic Policy</em></td>
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<td>Ch. 8: Business Cycles*</td>
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<td>Jul. 22</td>
<td>Review Session</td>
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<td><strong>JUL. 25 (Mon.)</strong></td>
<td><strong>MIDTERM</strong> (Ch.1-4, 5-7)</td>
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Wk. 4 (Jul. 26-29)  Ch. 9: The IS-LM/AD-AD Model: A General Framework for Macroeconomic Analysis
                     Ch. 10: Classical Business Cycle Analysis: Market-Clearing Macroeconomics*
                     Ch. 11: Keynesianism: The Macroeconomic of Wage and Price Rigidity

Wk. 5 (Aug. 1-5)    Ch. 11 (Cont.)
                     Part IV: Macroeconomic Policy: Environment and Institutions
                     Ch. 12: Unemployment and Inflation
                     Ch. 14: Monetary Policy and the Federal Reserve System

Wk. 6 (Aug. 8-10)   Ch. 14 (Cont.)
                     Ch. 15: Government Spending and Its Financing
                     Part V: Open Economy Macroeconomics
                     Ch. 5: Saving and Investment in the Open Economy*
                     Ch. 13: Exchange Rates, Business Cycles and Macroeconomic Policy in the Open Economy*

Aug. 11            Review Session

AUG. 12 (Fri.)     FINAL EXAM (Ch.9-12, 14-15)

Note: (*) Chapters with asterisks are the ones that I want to discuss only briefly in class. I may however skip these chapters entirely if we do not have enough time. Thus, they will not be covered in the exams.

Last Modified: 4/12/2005