



Hankuk University of Foreign Studies

2021 Summer Session

ECON 202 Intermediate Macroeconomics

Course Outline

Term: July 12-August 13, 2021

Class Hours: 08:00-09:50 (Monday through Friday)

Course Code: ECON 202

Instructor: Byung-Joo Lee, Professor of Economics

Home Institution: University of Notre Dame, Notre Dame, IN 46556 U.S.A.

Contact: bjleend@gmail.com

Office Hours: TBA

Credit: 4

Class Hours: This course will have 72 class hours, including 40 lecture hours, 10 lecturer office hours, 10-hour TA discussion sessions, 2-hour review sessions, 10-hour extra classes.

Course Description:

The primary goal of this course is to help you develop a consistent way of thinking about some key macroeconomic phenomena.

In particular, we will try to address the following type of questions:

- What drives economic growth? What explains the large differences in economic performance across different countries of different times? What is the role of policy in economic growth?
- What are the determinants of consumption and saving? How do they matter for both the long run and the short run?
- Why are people unemployed? What should the government do about unemployment?
- Why does macroeconomic activity fluctuate? How do different shocks and policies affect employment, output, investment and consumption over the business cycle?



- Should the government try to stabilize the economy against business-cycle fluctuations, and how? Is it better to restrict what the government can do even if it is fully benevolent, or should we give full discretion to the government?
- What causes financial crises? What is the role of financial markets in the macroeconomy?

This course consists of 4 sessions of 120 minutes each per week for 5 weeks. This course is very intensive and covers course content equivalent to one regular semester three-credit course in the U.S. university.

By the end of the course, you should feel comfortable to use microeconomics terminology, and use graphics and mathematical tools to analyze contemporary microeconomic issues.

Textbook:

- Macroeconomics, 10th ed., N. Gregory Mankiw, Worth Publishers, 2019

Prerequisite:

- Principles of Microeconomics and Principles of Macroeconomics, or equivalents.

Attendance:

Students should attend class regularly, arrive on time and not leave early. While you are in class, show the proper respect to your instructor and to your classmates. When you must miss a class, it is your responsibility to get the class material from me or your classmates. Class attendance will be checked. You will earn maximum 15 points for attendance for the final grade. Late arrival and excused absence will cost 0.5 point. Excessive absence may result in the course grade of "F".

Grading scale is as following with appropriate curve:

A: 86-100% B: 71-85% C: 51-70% D: 41-50% F: Below 40%

Grading:

There will be one midterm exam and one final exam, 40% each. Exams test basic econometric theory and empirical applications. Homework accounts for the remaining 20% for the course grade. There is 15 extra points for attendance.

Academic Honor Code:

The Code of Honor will be strictly applied. Honor Code pledges "I will not participate in or tolerate academic dishonesty." Students will not give or receive aid on exams. This includes, but is not limited to, viewing the exams of others, sharing answers with others, and using books or notes while taking the exam. You can collaborate to study your homework, but you have to submit your own completed homework to receive appropriate credit. Copying solutions from others, whether they are current or past, constitutes plagiarism.



Tentative Course Schedule

The course outline is tentative and I will modify accordingly depending on the pace of the class.

Week 1: What is Macroeconomics & Classical Theory: Economy in the Long Run

Session 1: Chapters 1 & 2: What is Macroeconomics?

Session 2: Chapter 3: National Income: Where It Comes From and Where It Goes

Session 3: Chapter 4: The Monetary System: What It Is and How It Works

Session 4: TA Review Session

Week 2: The Classical Theory: The Economy in the Long Run

Session 5: Chapter 5: Inflation: Its Causes, Effects and Social Costs

Session 6: Chapter 6: The Open Economy

Session 7: Chapter 7: Unemployment and the Labor Market

Session 8: TA Review Session

Week 3: Economic Growth: The Economy in the Very Long Run

Session 9: Midterm Exam

Session 10: Chapter 8: Economic Growth I: Capital Accumulation and Population Growth

Session 11: Chapter 9: Economic Growth II: Technology, Empirics and Policy

Session 12: TA Review Session

Week 4: Economic Fluctuations: The Economy in the Short Run

Session 13: Chapter 10: Introduction to Economic Fluctuations

Session 14: Chapter 11: Aggregate Demand I: Building the *IS-LM* Model

Session 15: Chapter 12: Aggregate Demand II: Applying the *IS-LM* Model

Session 16: TA Review Session

Week 5: Aggregate Supply & Aggregate Demand

Session 17: Chapter 14: Aggregate Supply and Short-Run Tradeoff between Inflation & Unemployment

Session 18: Chapter 19: Semester Review

Session 19: Final Exam