



HANYANG UNIVERSITY

Hanyang International Summer School

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— □ 책 Course Information	Class No.	TBA	Course Code	ECO2063	Credits	3
	Course Name	Macroeconomics 1				
	Lecture Schedule	Mon-Thu /				
	Course Description	<p>This course is the first part of one-year macroeconomics sequence.</p> <p>We are primarily concerned with two issues: (i) developing positive models in order to understand the dynamics of key macroeconomic variables such as output (GDP), unemployment, inflation, interest rates, etc.; and (ii) deriving normative prescriptions for macroeconomic policymaking, in particular regarding the proper setting of fiscal and monetary policies.</p> <p>We will study: (i) short-run macroeconomic fluctuations using Keynesian macroeconomic models, (ii) long-run (classical) macroeconomic models, (iii) the policy implications of fiscal and monetary policy in the context of both short-run and long-run macroeconomic models, (iv) and the relation between output, unemployment and inflation.</p> <p>Class will be conducted in a lecture format.</p>				
	Course Objective	<p>The goal of this course is to familiarize students with macroeconomics issues which arise in our daily life and to provide students with the fundamental macroeconomic knowledge needed to properly understand such issues. It focuses on macroeconomic theories to explain the movements of macroeconomic variables such as output, unemployment, inflation, interest rate, and so on.</p> <ol style="list-style-type: none"> To be able to understand the relationships among major macroeconomics variables such as output, unemployment, and inflation. To be able to understand how an economy works in the short run and in the long run. To be able to analyze the effects of fiscal and monetary policies on the economy. 				

	Prerequisite	Principles of Economics. It will also be assumed that students are reasonably familiar with basic mathematical tools, graphics, and simple statistics. No other prior knowledge will be assumed.			
	Materials/Textbooks	Macroeconomics, latest edition, N. Gregory Mankiw. Macroeconomics, latest edition, Olivier Blanchard.			
Evaluation	Attendance	15 %	Quiz	%	
	Assignment	10 %	Mid-term Exam	30 %	
	Presentation	%	Final Exam	40 %	
	Group Project	%	Participation	5 %	
	Etc.	Evaluation Item		Ratio	
				%	
				%	
Daily Lecture Plan	Week 1	Day 1	Introduction to macroeconomics		
		Day 2	Measuring the overall economy		
		Day 3	<ul style="list-style-type: none"> - Gross Domestic Output - The Price Index (GDP deflator, Consumer Price Index) 		
		Day 4	<ul style="list-style-type: none"> - Unemployment 		
			Time Span and Economic Models		
			<ul style="list-style-type: none"> - Short Run, Long Run, and Very Long Run - Economic Models 		
			The Economy in the Long Run (Classical Theory)		
			<ul style="list-style-type: none"> - Natural Level of Output - The Natural Rate of Unemployment 		
	Week 2	Day 1	<ul style="list-style-type: none"> - Loanable Funds Market 		
		Day 2	<ul style="list-style-type: none"> - The Quantity Theory of Money 		
		Day 3	<ul style="list-style-type: none"> - The Fisher Effect: Real and Nominal Interest Rates 		
		Day 4	<ul style="list-style-type: none"> - The Classical Dichotomy 		
			The Economy in the Short Run (Keynesian Theory)		
			<ul style="list-style-type: none"> - The Goods Market: The Keynesian Cross - Financial Markets: The Theory of Liquidity Preference - The IS-LM Model 		
			Mid Exam		
	Week 3	Day 1	The Economy from the Short Run to the Long Run		
Day 2		<ul style="list-style-type: none"> - The Goods/Financial Markets and the Aggregate Demand 			
Day 3		<ul style="list-style-type: none"> - The Labor Market and the Aggregate Supply 			
Day 4		<ul style="list-style-type: none"> - The AD-AS Model 			
Week 4	Day 1	A Dynamic Model of Aggregate Demand and Aggregate Supply			
	Day 2	<ul style="list-style-type: none"> - The Dynamic Aggregate Demand 			
	Day 3	<ul style="list-style-type: none"> - The Dynamic Aggregate Supply 			
	Day 4	<ul style="list-style-type: none"> - The DAD-DAS model 			
		Policy Debates			
		Final Exam			