



# HANYANG UNIVERSITY

## Hanyang International Summer School

Faculty Information	Name	CHUNG, Sukkyun				
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	Home University	Hanyang University				
	Department	Department of Policy				
	Homepage					
Course Information	Class No.	18071	Course Code	ECO2037	Credits	3
	Course Name	Macroeconomics 2				
	Lecture Schedule	Mon-Thu /13:00~16:00				
	Course Description	<p>This course is <b>the second part</b> of one-year macroeconomics sequence. Macroeconomics 1 covers core macro topics such as IS-LM and AS-AD models. It gives us a way of thinking how output (and unemployment and inflation) is determined over the short and long run. <b>Macroeconomics2</b> is an extension of Macroeconomics1.</p> <p><b>First</b>, we extend the time horizon of our analysis to the very long run and <b>look at how an economy works over long periods of time.</b></p> <p><b>Second, we explore the role expectations play in macroeconomics.</b> Nearly all the economic decisions depend on expectations about the future. Fiscal and monetary policies affect economic activity not only through their direct effects but also through their effects on people's expectations. We study the implications of expectations for fiscal and monetary policy.</p> <p><b>Third, we consider interactions of one economy with the rest of the world.</b> Economies are increasingly open. We study the interdependence and the implications for fiscal and monetary policy in an open economy.</p> <p>Class will be conducted in a lecture format but you are strongly encouraged to participate in class actively. A number of problem sets are assigned both <b>as practice for the exams and as a way of learning by doing.</b></p>				
	Course Objective	<ol style="list-style-type: none"> <li>1. To understand how an economy works as a whole.</li> <li>2. To be able to understand the role expectations play in economic activities.</li> <li>3. To understand how our economy interacts with the rest of the world. (An open economy).</li> <li>4. To be able to analyze the effects of monetary and fiscal policy on economic variables in depth.</li> </ol>				

	<b>Prerequisite</b>	<b>Principles of Economics.</b> 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.		
	<b>Materials/Textbooks</b>	<b>Macroeconomics, latest edition, Olivier Blanchard.</b> <b>Macroeconomics, latest edition, N. Gregory Mankiw.</b>		
<b>Evaluation</b>	<b>Attendance</b>	15 %	<b>Quiz</b>	%
	<b>Assignment</b>	10 %	<b>Mid-term Exam</b>	30 %
	<b>Presentation</b>	%	<b>Final Exam</b>	40 %
	<b>Group Project</b>	%	<b>Participation</b>	5 %
	<b>Etc.</b>	<b>Evaluation Item</b>		<b>Ratio</b>
				%
				%
<b>Daily Lecture Plan</b>	<b>Week 1</b>	Day 1	Opening Ceremony	
		Day 2	Introduction: Big Picture	
		Day 3	Classical Theory: The Economy in the Long Run (1)	
		Day 4	Classical Theory: The Economy in the Long Run (2) Economic Growth: The Economy in the Very Long Run (1)	
	<b>Week 2</b>	Day 1	Economic Growth: The Economy in the Very Long Run (2)	
		Day 2	Business Cycle Theory: The Economy in the Short Run (1)	
		Day 3	Business Cycle Theory: The Economy in the Short Run (2)	
		Day 4	Mid Exam	
	<b>Week 3</b>	Day 1	Expectations and Financial Markets	
		Day 2	Expectations, Consumption, and Investment	
		Day 3	Expectations, Output, and Policy	
		Day 4	Openness in Goods and Financial Markets	
	<b>Week 4</b>	Day 1	The Goods Market in an Open Economy	
		Day 2	Output, Interest Rate, and the Exchange Rate	
		Day 3	Fiscal and Monetary Policy in Depth	
		Day 4	Final Exam.	