



**University of International Business and Economics
International Summer School**

ECON 302 Intermediate Macroeconomics

Term: May 24 - June 24, 2021

Instructor: Xuefeng Pan

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Class Hours: Monday through Thursday, 120 minutes each day (2,400 minutes in total)

Office Hours: TBD

Discussion Session: TBD

Total Contact Hours: 64 contact hours (45 minutes each)

Location: WEB

Credit: 4 units

Course Description and Objectives:

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?

We will shed light on all the above questions. However, do not expect a simple answer to any of these questions—there is no simple answer! Rather, what you should aim for is to develop a framework for studying these questions, along with some empirical guidance. We will review some of the key lessons research in macroeconomics has reached over the years—lessons that will help you understand why certain policy questions remain the topic of hot debate in both the academic and the political arena.

Required Textbook:

N. Gregory Mankiw, *Macroeconomics*, the 10th edition, [Macmillan Learning](#), USA 2019 (9th edition is also acceptable). ISBN-13: 9781319105990

Teaching Approach of the Course:

- ✧ Stress the basic principles of economics
- ✧ Avoid nonessential material
- ✧ Explain difficult concepts patiently
- ✧ Use concrete examples

Assignments, Quizzes and Exam:

Your final class grade will be determined based on your performances on the weekly assignments, the weekly quizzes and the final exam, with the following weights:

- ✧ Assignments 20%, there is a total of five weekly assignments, with 4% on each.
- ✧ Quizzes 40%, there is a total of four quizzes that will take place sequentially on every Thursday except June 24, and each quiz comes with a 10%.
- ✧ Final Exam 40%, scheduled on June 24, cumulative and covers all chapters.

Assignments: an assignment will be posted on every Monday and you are supposed to submit it before or on the specified due date. The purpose of the assignment is to keep you updated about key concepts introduced in the lecture during the week and also to prepare you for the quiz of that week. Your work on the assignments will be reviewed and will be rewarded with generous grading as long as serious efforts are shown.

Quizzes: there will be a weekly quiz on every Thursday except June 24. The quiz itself functions as the first session of the lecture on Thursday and after everyone finishes the quiz, I will walk you through the solution at the second session of the lecture. The questions in the quiz may look similar to those in the assignment of the week.

Final exam: firmly scheduled on June 24 and covers all chapters of the class. Questions in both the assignments and the quizzes will be reflected in the final exam, though not exactly in the same form. Similar to the assignments and quizzes, the final exam will include three sections: Multiple Choice, Short-Answer and Calculation Questions.

Technical requirements:

- ✧ Have proper accessibility to internet. Since the lectures are conducted in the way of online teaching, it is critical that you have stable connect to internet. Lecture materials, including lecture slides, assignments, quizzes and the final exam, will be sent over the internet to the platform Blackboard. Lecture recordings can be downloaded from a separate online disk to be announced.

- ✧ Have quiet and independent place for quizzes and final exam. All students will attend the quizzes and the final exam at the same time but at their own places. Hence, besides having stable internet access, it is also critical to have a quiet place where you can work on the quizzes and exam. Also, to ensure a fair quiz/exam, we might need students to turn on their web cameras during the quiz/exam, so you need an independent place for that.
- ✧ Contact the TA and/or the Instructor immediately once you encounter any unexpected technical issues that most likely stop you from submitting your quizzes and/or exam on time.

When in doubt about any policy, please do ask the TA and/or the Instructor.

Grading Scale:

Assignments and examinations will be graded according to the following grade scale:

A	90-100	C+	72-74
A-	85-89	C	68-71
B+	82-84	C-	64-67
B	78-81	D	60-63
B-	75-77	F	below 60

Grading Policies:

- ✧ No make-up exam is given.
- ✧ No late homework submission and no make-up homework.
- ✧ No make-up quizzes. The weight of any quiz that you miss will go to your final exam.

Ground Rules:

- ✧ Work seriously on the assignments and submit them on time.
- ✧ Attend all quizzes and the final exam on specified dates and time.
- ✧ Commit no acts or attempts of cheating on any assignment, quiz and the exam.
- ✧ Comply with all academic rules of UIBE and those of your home university.

Course Outline: (Chapters refer to the Mankiw textbook)

Part I: Introduction

Day 1, Monday: Chapter 1. The Science of Macroeconomics

Day 1, Monday: Chapter 2. The Data of Macroeconomics

Part II: Classical Theory: The Economy in the Long Run

Day 1, Monday: Chapter 3. National Income: Where It Comes from and Where It Goes

Day 2, Tuesday: Chapter 4. The Monetary System: What It Is and How It Works

Day 2, Tuesday: Chapter 5. Inflation: Its Causes, Effects, and Social Costs

Day 3, Wednesday: Chapter 6. The Open Economy

Day 3, Wednesday: Chapter 7. Unemployment and the Labor Market

Day 4, Thursday: Quiz 1 and go-over, covering Chapters 1-7

Part III: Growth Theory: The Economy in the Very Long Run

Day 5, Monday: Chapter 8 Part 1. Economic Growth I: Capital Accumulation and Population Growth

Day 6, Tuesday: Chapter 8 Part 2. Economic Growth I: Capital Accumulation and Population Growth

Day 7, Wednesday: Chapter 9. Economic Growth II: Technology, Empirics, and Policy

Day 8, Thursday: Quiz 2 and go-over, covering Chapters 8-9

Part IV: Business Cycle Theory: The Economy in the Short Run

Day 9, Monday: Chapter 10. Introduction to Economic Fluctuations

Day 9, Monday: Chapter 11. Aggregate Demand I: Building the IS-LM Model

Day 10, Tuesday: Chapter 12. Aggregate Demand II: Applying the IS-LM Model

Day 11, Wednesday: Chapter 13. Open Economy Revisited: The Mundell-Fleming Model and the Exchange-Rate Regime

Day 11, Wednesday: Chapter 14. Aggregate Supply and the Short-run Tradeoff Between Inflation and Unemployment

Day 12, Thursday: Quiz 3 and go-over, covering Chapters 10-14

Part V: Topics in Macroeconomic Theory

Day 13, Monday: Chapter 15. A Dynamic Model of Economic Fluctuations

Day 14, Tuesday: Chapter 16. Understanding Consumer Behavior

Day 15, Wednesday: Chapter 17. The Theory of Investment

Day 16, Thursday: Quiz 4 and go-over, covering Chapters 15-17

Part VI: Topics in Macroeconomic Policy

Day 17, Monday: Chapter 18. Alternative Perspectives on Stabilization Policy

Day 18, Tuesday: Chapter 19. Government Debt and Budget Deficits

Day 19, Wednesday: Review and Looking Forward in the macro economy

Day 20, Thursday: Final Exam, covering Chapters 1-19