



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

**ECON 302 Intermediate Macroeconomics**

**Term: September 20th-December 10th, 2021**

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**Class Hours: 2 days per week, 120 minutes each teaching 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 10<sup>th</sup> edition, [Macmillan Learning](#), USA 2019 (9<sup>th</sup> 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 four assignments, with 5% on each.
- ✧ Quizzes 40%, there is a total of four quizzes and each quiz comes with a 10%.
- ✧ Final Exam 40%, cumulative and covers all chapters.

**Assignments:** The purpose of the assignment is to keep you updated about key concepts introduced in the lecture and also to prepare you for the quiz. Your work on the assignments will be reviewed and will be rewarded with generous grading as long as serious efforts are shown.

**Quizzes:** The questions in the quiz may look similar to those in the assignment of the week.

**Final exam:** 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.

### Grading Scale:

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

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

Week 1

Chapter 1. The Science of Macroeconomics

Chapter 2. The Data of Macroeconomics

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

Week 2

Chapter 3. National Income: Where It Comes from and Where It Goes

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

Week 3

Holiday

Week 4

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

Chapter 6. The Open Economy

Chapter 7. Unemployment and the Labor Market

Week 5

Quiz 1 and go-over, covering Chapters 1-7

Chapter 8 Part 1. Economic Growth I: Capital Accumulation and Population Growth

Chapter 8 Part 2. Economic Growth I: Capital Accumulation and Population Growth

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

Week 6

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

Quiz 2 and go-over, covering Chapters 8-9

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

Week 7

Chapter 10. Introduction to Economic Fluctuations

Chapter 11. Aggregate Demand I: Building the IS-LM Model

Week 8

Chapter 12. Aggregate Demand II: Applying the IS-LM Model



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

Week 9

Chapter 14. Aggregate Supply and the Short-run Tradeoff Between Inflation and Unemployment

Quiz 3 and go-over, covering Chapters 10-14

Chapter 15. A Dynamic Model of Economic Fluctuations

**Part V: Topics in Macroeconomic Theory**

Week 10

Chapter 16. Understanding Consumer Behavior

Chapter 17. The Theory of Investment

Quiz 4 and go-over, covering Chapters 15-17

Part VI: Topics in Macroeconomic Policy

Week 11

Chapter 18. Alternative Perspectives on Stabilization Policy

Chapter 19. Government Debt and Budget Deficits

Week 12

Review and Looking Forward in the macro economy

Final Exam, covering Chapters 1-19