



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

ECON 402 Intermediate Macroeconomics II

Term: July 10th – August 4th , 2023

Instructor: Xuefeng Pan

Home Institution: University of International Business and Economics

Email: xuefeng.pan@uibe.edu.cn

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

Office Hours: TBD

Discussion Session: 2 hours each week

Total Contact Hours: 64 contact hours (45 minutes each, 48 hours in total)

Credit: 4 units

Course Description:

Built upon Intermediate Macroeconomics I, this class is intended to help upper-level undergraduate students explore a selection of advanced topics in modern macroeconomics that are often not discussed in detail in lower-level Intermediate Macro classes. The first topic is the microeconomics foundation of macroeconomics, including the work-leisure decision and the consumption-saving choice for consumers, as well as the profit-maximization and the investment models for firms. The policy implications of these microeconomics foundation will also be discussed. In the second topic, we will discuss, from a dynamic perspective, the business cycle, and the transition of economy from short run to the long run with and without policy responses to the economic fluctuation. The third topic pertains to the context of a small open economy and the choice of policy response to both domestic and foreign shocks, as well as the outcome of these policy and how the outcome varies in the long run and under a large open economy.

Textbooks:

- ✧ Gregory Mankiw. Macroeconomics, 9th ed, Worth Publisher, ISBN-13: 978-1-4641-8289-1
- ✧ Stephen Williamson. Macroeconomics, 5th ed, Pearson, ISBN-13: 978-0-13-299133-9

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 weekly assignments, with a 5% weight on each.
- ✧ Quizzes 30%, there is a total of three quizzes that will take place sequentially on every Friday except August 4th, and each quiz comes with a 10% weight.
- ✧ Final Exam 50%, scheduled on August 4th, cumulative and covers all chapters.

Assignments: an assignment will be posted on every Monday and you are supposed to **submit it on or before 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 Friday except August 4th. The quiz itself functions as the first session of the lecture on Friday 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 August 4th 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 Questions, Short-Answer Questions, and Calculation Questions.

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

Ground Rules:

- ✧ Read the lecture slides ahead and attend each lecture.
- ✧ 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:

This is a tentative outline, and I might adjust the timing and the contents depending on how long it takes to finish a lecture. In the column of Reference, N refers to the Nicholson textbook, V to the Varian textbook, and the number to the chapters in the two textbooks.

Section	Date	Contents	References
Part I: Review of Intermediate Macroeconomics I	Day 1	The Data of Macroeconomics	M2
	Day 2	The Classical model and The Keynesian Model	M3, M11, M12
	Day 3	Savings and Long-Run Growth	M8, M9
	Day 4	Work-Leisure Decision of the Representative Consumer	W4
	Day 5	Quiz 1 and Go-over	
Part II: One-Period Model of the Macroeconomy & Two-Period Model of the Macroeconomy	Day 6	Profit Maximization of the Representative Firm	W4
	Day 7	The Role of Government	W5
	Day 8	Consumption-Saving Decisions	W9, M16
	Day 9	Credit Market Imperfections and Financial Crises	W10
	Day 10	Quiz 2 and Go-over	
Part III: Business Cycle and Macroeconomic Policy	Day 11	A Real Intertemporal Model with Investment	W11, M17
	Day 12	Economic Fluctuation and Policy Stabilization	M18, W14, W18
	Day 13	AD-AS model	M14
	Day 14	The Transition from Short-Run to Long-Run	M15
	Day 15	Quiz 3 and Go-over	
Part IV: The Open Economy	Day 16	Exchange Rates	M6, W15
	Day 17	Small Open Economy and Mundell-Flaming Model	M13, W16
	Day 18	Large Open Economy and Long-Run Open Economy	M13
	Day 19	Review	
	Day 20	Final Exam	