Macroeconomics
Prof. Yoonho Choi Ph.D., Simpson College

SHORT COURSE DESCRIPTION
The course aims to understand modern macroeconomic theory such as at an intermediate level and to understand the fundamental concepts and macroeconomic approaches for the determination of macroeconomic variables.

The first half of the course covers microeconomic foundations and the long-run economy. Students will investigate how the interaction between households and firms determines the equilibrium levels of macroeconomic variables such as consumption, investment, productivity, and employment. We will end our study of the long run by considering how factor accumulation (e.g., capital and labor) and technological progress interact to determine the growth rate of the economy.

The second part of the course focuses on the behavior of the economy in the short run. There is considerable disagreement about the causes and cures of the business cycle. Classical economists assume that prices and wages adjust quickly to restore equilibrium, and argue that markets are self-correcting. Keynesians believe that prices are sticky and that shocks can push the economy away from long-run equilibrium. We will examine both of these views regarding a standard analytical framework, the IS-LM model, and consider whether their predictions are consistent with the evidence. Finally, we will discuss open economy macroeconomic issues including determination of exchange rates, trade deficits and international financial crises.

- Instructor Office: TBA
- Office phone: TBA
- Email: TBA
- Office hours: TBA

READING MATERIALS
Class Materials
Required:
a. Able, Bernanke and Croushore, Macroeconomics (9th Edition or Older Editions)
b. Other materials distributed by instructor
c. Lecture notes and group activities will be on icampus
d. A simple calculator (capable of addition, subtraction, multiplication, and division)

COURSE REQUIREMENTS AND GRADING
Grade Guideline:
The assessment and grading will be based on a combination of student's in-class activities, homework, economic analysis and three exams. In particular, students will be organized into small groups and choose a group project topic from a list of topics provided by the lecturer or proposed by the students and approved by the lecturer. All ISS classes are pass/fail on the student academic achievement evaluated by grades on a scale of 100 points (grade of 60 or above is Pass).
Note that SKKU regulations require students to attend at least 80% of all classes. Students are expected to familiarize themselves with SKKU policies about plagiarism, academic dishonesty, etc.

Course Structure:

Grading breaks:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Weight</th>
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<tbody>
<tr>
<td>In-Class Activities</td>
<td>20%</td>
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<tr>
<td>Homework</td>
<td>20%</td>
</tr>
<tr>
<td>Group Project</td>
<td>15%</td>
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<tr>
<td>Exam 1</td>
<td>15%</td>
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<td>Exam 2</td>
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<td>Exam 3</td>
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<tr>
<td>Total</td>
<td>100%</td>
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1. Teams: Team-based learning is a teaching strategy designed to promote active, collaborative learning and improve understanding of course materials. At the beginning of the first class, groups will be formed.

2. Team Activities: Students will be given team in-class activities throughout the course. These activities include discussion groups, problem-solving activities, and economic experiments. These in-class problems and discussions are meant for students to apply the material learned in class. The problems, discussions, and economic experiments are ways of mastering the student’s understanding of the course. These activities are only given during class and must be completed as a team when specified. If specified, only one set of answers must be submitted per team. There is no makeup in-class activities.

3. Group Project: The purpose of the research project is to extend your knowledge beyond the scope of the material discussed in class. You will explore current macroeconomic issues and learn modern approaches in macroeconomic analyses.

4. Group Homework: Homework assignments will allow you to apply course material and to make sure you understand it. You will have homework in class, and I will email homework if you are absent. I do not accept any late homework. If your computer is not working, please use some of the school computers at Dunn library. If Scholar .is not working, email me, and I will send the PDF file via email. Computer-related problems are not excused for late homework.

5. Exams: Each exam is open-book, open-notes. Exams are on July 2nd, July 9th, and July 16th during the last class meeting (two-hour long test). Simple calculators are allowed, but graphing calculators, calculators with alphabetical keyboards, wireless devices, and mobile phones are NOT allowed.

6. Attendance Policy: There are 15 class periods during the semester. A student is expected to attend every class. However, SKKU regulations require students to attend at least 80% of all classes. Unexcused absences will result in missed points for team activities. An excused absence must be supported by written documentation about the medical or family emergency.

7. Valid Excuses: If your medical emergency or a serious illness or death in your family causes you to miss class, you must inform me of the emergency before class (e.g. send me an email) and soon afterward submit a written explanation (including date of absence and documentation).
COURSE SCHEDULE

– WEEK I –

Tuesday (26 June)
1. Introduction to Macroeconomics
2. Measurement and Structure of National Economy
   *Group Activity 1

Wednesday (27 June)
3. Productivity, output, and Employment
   *Group Activity 2

Thursday (28 June)
4. Consumption, Saving, and Investment
   *Group Activity 3

Friday (29 June)
5. Saving and Investment in the Open Economy
   *Group Activity 4

– WEEK II –

Monday (2 July)
6. Long-Run Economic Growth

Tuesday (3 July)
7. The Asset Market, Money, and Prices
   *Group Activity 5

Wednesday (4 July)
8. Business Cycles
   *Group Activity 6

Thursday (5 July)
9. The IS_LM/AD_AS Model
   *Group Activity 7
- WEEK III -

Monday (9 July)
Exam 2
10. Classical Business Cycle Analysis

Tuesday (10 July)
11. Keynesianism: Wage and Price Rigidity
*Group Activity 8

Wednesday (11 July)
12. Unemployment and Inflation
*Group Activity 9

Thursday (12 July)
13. Exchange Rates, Business Cycles, and Macroeconomic Policy in the Open Economy
*Group Activity 10

- WEEK IV -

Monday (16 July)
Exam 3
(Continued) Exchange Rates, Business Cycles, and Macroeconomic Policy in the Open Economy
*Group Presentation

Tuesday (17 July)
14. Monetary Policy and the Federal Reserve System
*Group Presentation

Wednesday (18 July)
15. (Continued) Monetary Policy and the Federal Reserve System
*Group Presentation