

Macroeconomics (Undergraduate)

Department of International Business,
National Chengchi University
Spring 2013
Ryuichi Yamamoto
Class Hours: Wednesday 1:10pm-4:00pm

Instructor: Ryuichi Yamamoto

Email: ryuichi@nccu.edu.tw

Office: Commerce building 1224

Teaching Assistant: TBA

Office Hours: By Appointment or

Drop in whenever

OVERVIEW: Macroeconomics is the study of the economy as a whole, and examines the determinants of macroeconomic variables and relations among those variables. The typical variables we will focus on economic growth, saving, investment, current account, and so on.

In this course we develop frameworks for understanding macroeconomics in the long and short runs. You will use these tools to come to understand the macro history and current position of a country that interests you. You will also learn how to interpret macro data, skills that are hugely important for jobs in policy and finance.

Course Work: The course will be lecture based. Language of instruction is English. I will post all lecture notes and readings (except books' chapters) to our course website.

Grading:	Class Participation:	10%
	1 Mid-term:	40%
	1 Final exam:	50%

Homework Assignments and Review questions

Purpose: review what we learn in the class and provide practice in applying concepts learned in class. You can't learn without practice.

- Doing homeworks and review questions is important for getting good scores on the exams.
- Work in groups of 3 or 4 coming to understand the problems.
- Write up your answers **individually**. This should ensure you understand your answers.
- I will **NOT** collect your answers, i.e., your assignments will **NOT** be graded for your final grade. However, I will post the homework answers one week after assigning the homeworks. For review questions, I am happy to discuss with you to figure out the answers.
- The homeworks and review questions should be considered as sample questions for the exam.

One Midterm and one Final Exam

Purpose: Help you become sufficiently comfortable with key concepts that you can think with them and converse intelligently about them.

- Closed book: You must remember certain key things.
- All are in-class tests.
- All tests will be cumulative. Cumulative tests provide opportunities to learn the material more deeply, and commit it to long-term memory.
- Some of the questions in a midterm and final exam will be from homeworks while some of them will be from lectures.
- You will have a Mid-term exam on April 17th. **YOU MUST BE THERE. NO EXCEPTIONS.**
- Final exam: You will have a final exam on June 19. There will be no alternative.

Class Participation:

Participation in class discussion is critical. This does not require that you stun your classmates with insight. Sharing relevant experiences is very valuable. Clarification questions are also highly valued (if it's not clear to you, chances are it's not clear to others). Good class participation also involves (i) arriving on time, (ii) remaining seated until class is over, and (iii) remaining quiet and attentive unless contributing to class discussion.

Class Mailing List

Once you register for this class, you are automatically included to the list. You will receive all emails sent through the mailing list. However, you may not receive any as a result of some restrictions on receiving emails. In particular, please remove some if your registered email address is the one of hotmail or yahoo.

Some Things You Must Do

- Attend every single class.
- Participate in class discussions (*intelligently!*).

Some Things You Must NOT Do

- Collaborate on the exams.
- Quote your group-mates or anyone else on homework assignments. Though you may collaborate on coming to understand the answers, the actual written answers to assignments must be composed independently.

READINGS:

- The **course notes** are your primary readings! The course notes can be downloaded at:

<http://elearn.cc.nccu.edu.tw/>

- Text chapters and explicitly reference material from the web are intended primarily to provide another explanation for the topics discussed in class.
- The articles have two purposes: (1) to show you how the concepts covered in class come up in practical situations, and (2) to bring you up-to-date on policy debates.
- Read strategically! Part of your education here concerns time management.

- ✓ If the problem sets are a breeze, don't spend much time on text chapters.
- ✓ Before looking at an article ask yourself: What am I supposed to learn from this? How is this article related to what was covered in class on this topic? Most key lessons can be summarized in a few sentences.

COURSE OUTLINE AND READING LIST

Topic 1: Macroeconomies in the Long Run:

1. Money, inflation, and exchange rates in the long-run

- Course Notes:** 1) Money and inflation in the long-run
2) The money supply process
3) Inflation, Exchange Rates, and Competitiveness

2. Long-Run Output Growth

- Course Notes:** 1) Standard theory of long-run economic growth
2) Inflation and long-run growth

Reference: Blanchard, *Macroeconomics*, Chapters 22-24
Krugman/Obstfeld, Chapter 12

Topic 2: Short-Run Macroeconomic Dynamics:

1. Deflation (falling prices)

Course Notes: 1) Deflation and Liquidity Traps

2. Saving, Investment, and the current account

Course Notes: 1): International linkage of macroeconomies: Balance of payments/global imbalances

Topic 3: Microstructure and Central Bank Intervention

Course Notes: 1) Intervention and Crises