

## Macroeconomics

### General Information:

Course ID#: ECON0110

Prerequisite: ECON0100 Microeconomics

Credit hours: 3

Time: Tuesday 15:40 – 18:25, 3 – 103, Thursday 8:15 – 11:00, 4 – 202

Office hours: Tuesday 13:00 – 15:30, Thursday 11:00 – 11:50, 13:00 – 15:30 and by appointment

Office location: SCUPI Zone3 #324A

Email: [lizyunli@scu.edu.cn](mailto:lizyunli@scu.edu.cn)

TA: Wei Yi

Course QQ: 572333629

Course Website: <https://learn.scupi.cn>

### Course Description:

This course introduces you to basic models and issues in macroeconomics. The topics we'll cover include the determination of output at the aggregate level, economic growth, employment, unemployment, the capital market, interest rates, inflation, exchange rate, international trade, etc. Monetary and fiscal policies are discussed, as are public debt and international economic issues. You will be exposed to real world economic problems through case studies and analysis of current economic issues. As a result, you should be able to gain a better understanding of the causes of, and remedies for unemployment and inflation, and the factors that promote economic growth. You will be able to apply economic theories to analyze real world situations, and develop the skills needed to do your own research and communicate the economic ideas in papers and presentations.

### Course Objectives:

By the end of this semester, you should have a very good understanding of macroeconomic principles, be able to reason economically using economic theories, evaluate government policy, understand policy debates and formulate informed opinions on current economic issues. The course meets other university and institute objectives by utilizing real world examples to stimulate student interest, encouraging critical thinking, as well as incorporating oral presentations and class discussion into the course.

### Learning Outcomes for this Course:

By the end of this course, students should be able to:

- 1) understand how gross domestic product (GDP) is defined and calculated, the distinction between real GDP and nominal GDP, and whether GDP is a good measure of economic well-being.

- 2) understand how the consumer price index (CPI) is constructed, why the CPI is an imperfect measure of the cost of living, and how to use CPI to compare dollar figures across time.
- 3) understand why productivity is the key determinant of a country's standard of living, the factors that determine a country's productivity, and how government policies influence productivity growth.
- 4) understand some of the important financial institutions in a modern economy, the model of the supply and demand for loanable funds in financial markets, how to use the model to analyze various government policies, and how government budget deficits affect the economy.
- 5) understand the time of money, the effects of compound growth, how risk-averse people reduce the risk they face, and how asset prices are determined.
- 6) understand how the official unemployment rate is calculated, the different types of unemployment – frictional, structural, and natural rate of unemployment, how structural unemployment can result from minimum-wage laws, bargaining between firms and union, and when firms choose to pay efficiency wages.
- 7) understand what money is and the functions of money in the economy, what the Federal Reserve System is, how the banking system helps determine the supply of money, and what tools the Federal Reserve uses to alter the supply of money.
- 8) understand why inflation results from rapid growth in the money supply, the meaning of the classical dichotomy and monetary neutrality, why some countries print so much money that they experience hyperinflation, how the nominal interest rate responds to the inflation rate, and the various costs that inflation imposes on society.
- 9) understand why net exports always equal net capital outflow, how saving, domestic investment, and net capital outflow are related, the meaning of the nominal exchange rate and the real exchange rate, and purchasing-power parity as a theory of how exchange rates are determined.
- 10) understand how to build a model to explain an open economy's trade balance and exchange rate, how to use the model to analyze the effects of government budget deficits, trade policies, and political instability and capital flight.
- 11) understand three key facts about short-run economic fluctuations, how the economy in the short run differs from the economy in the long run, how to use the model of aggregate demand and aggregate supply to explain economic fluctuations, how shifts in either aggregate demand or aggregate supply can cause booms and recessions.
- 12) understand the theory of liquidity preference as a short-run theory of the interest rate, how monetary policy affects interest rates and aggregate demand, how fiscal policy affects interest rates and aggregate demand, and the debate over whether policymakers should try to stabilize the economy.

**Course Website:**

We'll use blackboard to make announcement, distribute lecture notes, homework problems and answer keys, etc. Make sure to check the course page in blackboard frequently to stay updated.

**Course QQ group:**

We'll also have a course QQ group managed by the TA, Wei Yi. That'll be another place where we may make announcements, or you could ask questions and have discussions. Instead of holding office hours in a physical location, the TA will be available to answer course-related questions through QQ.

**Course Requirements:**

- Preview lecture notes briefly before class
- Be focused and actively participate in class discussion
- Review after class, use handouts, practice questions and application problems for practice, raise questions if any
- Try to apply course material to analyze current issues, and bring up interested topics for class discussion
- Be on time, and keep your cell phones off during class time
- **Uphold Academic Honesty:** cheating in a quiz or assignment will result in a 0 for it. Cheating in an exam will result in an F for the course.

**Exams:**

One Midterm and one Final, noncumulative. Multiple choice questions.

**Studio Work:**

In some weeks, we'll do studio work when you solve questions on the chapters covered in the weeks before. No makeup studio work will be given. If you have a legitimate reason to miss a class, make sure to email me beforehand.

**Homework**

You'll be given multiple choice questions and problem and application questions for practice. Working on those problems should have a positive effect on your studio and exam scores. You're responsible for managing your time properly and work on your own using those practice problems, so homework will not be collected. Answer key will be provided. If there's any question, feel free to raise them in class, or come to my office hours.

**Class Discussion**

We'll have class discussions led by me or the students. Active participation in discussions will earn you extra credit points.

**Group Presentation**

You'll have the opportunity to build a team of 2-3 students, pick out an economic event, research about it as a team, and do a 9-minute presentation to the class. The presentations will be scheduled in the last two teaching weeks of the semester. Each group should discuss with me about your topic and pick the time of your presentation on the first come first serve basis. The booking will start on May 7th, Tuesday, at 1pm, and will close on May 16th, Thursday, at 11:30am. You will not be able to schedule a presentation if you miss the booking deadline, and you will not be able to re-schedule unless you can find a team to switch with you. Not doing a presentation will lead to a grade of zero for the

presentation. Your group presentation will be graded by the class (34%) and me (66%). Your personal grade will depend on your team's grade and your share of workload.

**Presentation Topic:**

Explain an economic event, when it happened, what were the reasons that caused it to happen, how it developed, how the people/firms/governments involved reacted to it, and the consequences and influence, etc. Feel free to come up with your own topic, but here are a few examples to make it clear:

- China joined the GATT/WTO
- The breakdown of Bretton Woods system
- The 2008-2009 Financial Crisis
- The Japanese housing bubble
- The Dot-com bubble
- The invention of personal computer
- The AI revolution
- 1997 Asian Financial Crisis
- The Dilemma of Pension Reform in France
- The Collapse of Credit Suisse
- The economic crisis of Sri Lanka in 2022
- Economic Crisis in Argentine

**Feel free to come up with your own topic.** Basically tell a true story of an economic event, explain all relevant information and development as clearly as you can. While studying and recounting the event, get to better understand and explain the economic logic behind this event.

**Grading:**

- Attendance and Participation: 4%
- Studio Work: 15%
- Group Presentation: 15%
- Midterm 33%
- Final Exam: 33%
- Extra Credit: Contribution in Class Discussion up to 2%

**Grading Conversion Table:**

Level	Letter Grade	Reported Numerical Score	Grade Points
Superior Performance	A	90 - 100	4.0
	A-	85 - 89	3.7
Meritorious Performance	B+	80 - 84	3.3
	B	76 - 79	3.0
	B-	73 - 75	2.7
Adequate Performance	C+	70 - 72	2.3
	C	66 - 69	2.0
	C-	63 - 65	1.7
Minimal Performance	D+	61 - 62	1.3
	D	60	1.0
Insufficient Performance (Failure)	F	< 60	0.0

## **Course Schedule:**

### **The Data of Macroeconomics**

#### Week One

Introduction

Chapter 23 Measuring a Nation's Income

#### Week Two

Chapter 24 Measuring the Cost of Living

### **The Real Economy in the Long Run**

#### Week Three

Chapter 25 The Production and Growth

#### Week Four

Chapter 26 Saving, Investment, and the Financial System

#### Week Five

Chapter 27 The Basic Tools of Finance

#### Week Six

Chapter 28 Unemployment

### **Money and Prices in the Long Run**

#### Week Seven

Chapter 29 The Monetary System

#### Week Eight

##### **Midterm Exam**

April 19<sup>th</sup>, Friday, 14:00 – 16:00

#### Week Nine

Chapter 30 Money Growth and Inflation

### **The Macroeconomics of Open Economies**

#### Week Ten

Chapter 31 Open-Economy Macroeconomics: Basic Concepts

#### Week Eleven

Chapter 32 A Macroeconomic Theory of the Open Economy

### **Short-Run Economic Fluctuations**

#### Week Twelve

Chapter 33 Aggregate Demand and Aggregate Supply

Week Thirteen

Chapter 34 The Influence of Monetary and Fiscal Policy on Aggregate Demand

Week Fourteen

Chapter 35 The Short-Run Trade-off between Inflation and Unemployment

Week Fifteen (June 3<sup>rd</sup> – June 7<sup>th</sup>)

Group Presentations

Week Sixteen (June 10<sup>th</sup> – 14<sup>th</sup>)

Group Presentations

Week Seventeen

**Review and Final Exam**

**Course QQ Group**



群名称:Macroeconomics\_2024Spr...

群 号:572333629

# SCU Academic Calendar

## 四川大学

### 2023—2024 学年（春季学期）校历

周次	星期							月份	备注
	日	一	二	三	四	五	六		
					22	23	24	2月	1. 2月22-23日为在校本科生报到注册时间。 2. 2月23-25日为本科生补考试时间。 3. 第一周起正式行课。 4. 清明节4月4日。 5. 端午节6月10日。 6. 红色是节假日，停课一般不补。 7. 政治学习、党团组织生活统一安排，在双周星期五下午进行，上半段为政治学习时间，下半段为党团组织生活时间。 8. 实践及国际课程周安排劳动教育、实践环节、短期课程、国内外短期访学交流等。
1	25	26	27	28	29	1	2	3月	
2	3	4	5	6	7	8	9		
3	10	11	12	13	14	15	16		
4	17	18	19	20	21	22	23		
5	24	25	26	27	28	29	30		
6	31	1	2	3	4	5	6	4月	
7	7	8	9	10	11	12	13		
8	14	15	16	17	18	19	20		
9	21	22	23	24	25	26	27		
10	28	29	30	1	2	3	4	5月	
11	5	6	7	8	9	10	11		
12	12	13	14	15	16	17	18		
13	19	20	21	22	23	24	25		
14	26	27	28	29	30	31	1	6月	
15	2	3	4	5	6	7	8		
16	9	10	11	12	13	14	15		
17	16	17	18	19	20	21	22		
18	23	24	25	26	27	28	29		
19	实践及国际课程周	30	1	2	3	4	5	6	7月
20	实践及国际课程周	7	8	9	10	11	12	13	
21		14	15	16	17	18	19	20	
22		21	22	23	24	25	26	27	
23	暑	28	29	30	31	1	2	3	8月
24		4	5	6	7	8	9	10	
25	假	11	12	13	14	15	16	17	
26		18	19	20	21	22	23	24	
27		25	26	27	28	29	30	31	