



Shanghai Jiao Tong University

EC108 Macroeconomics

Term: July 3 – August 3, 2017

Instructor: Ernest Lai

Home Institution: Lehigh University

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Class Hours: Monday through Thursday, 10:10am – 12:10pm

Discussion Session: 2 hours per week

Total Contact Hours: 66 contact hours (45 minutes each, 3000 minutes in total)

Credit: 4 units

Course Description

Economics is a social science that studies choice behavior. Macroeconomics is a branch of economics in which the focus of the analysis is on the “macro” — i.e., big — economic objects; it typically bypasses the analysis of individual decisions and deals directly with the behaviors and interactions of aggregate economic variables, such as the GDP, economy-wide consumptions, national savings, inflation rates, and unemployment rates.

This introductory course will expose you to the fundamental concepts in macroeconomics and introduce you to the state-of-the-art understanding of what drive the economy to grow, what cause the inflation, why there is unemployment and how government policies may influence it, and etc.

The course will be conducted in the form of lectures, where I will, using the traditional board and chalk, think alongside with you when I walk you through the building blocks of macroeconomics.

Course Goals

Upon finishing the course, you are expected to be able to:

- ✧ demonstrate understanding of the basic concepts in macroeconomics;
- ✧ demonstrate understanding of the basic mechanisms driving the movements of macroeconomic variables; and
- ✧ demonstrate the ability to apply the basic tools of macroeconomics to analyze and understand current macroeconomic events.

Required Text

For students taking Macroeconomics only: N. Gregory Mankiw. 2017. *Principles of Macroeconomics*. 8th ed. South-Western College Pub.



For students taking both Microeconomics and Macroeconomics: N. Gregory Mankiw. 2017. *Principles of Economics*. 8th ed. South-Western College Pub.

Grading Policy

Evaluation of your performance will be based on the following:

- ✧ Problem Sets (×4): 20%
- ✧ Midterm exam (July 20): 40%
- ✧ Final exam (August 3): 40%

The midterm and the final are closed-book. Each consists of 20 multiple-choice questions and one or two problems.

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0

Course Schedule (Subject to Changes)

Week 1

July 3	Chapter 1 Chapter 2	Ten Principles of Economics Thinking Like an Economist
July 4	Chapter 3	Independence and the Gains from Trade
July 5	Chapter 10	Measuring a Nation's Income
July 6	Chapter 10	Measuring a Nation's Income (Cont.d)

Week 2

July 10	Chapter 11	Measuring the Cost of Living
July 11	Chapter 12	Production and Growth



July 12	Chapter 13	Saving, Investment, and the Financial System
July 13	Chapter 13	Saving, Investment, and the Financial System (Cont.d)
Week 3		
July 17	Chapter 14	The Basic Tools of Finance
July 18	Chapter 15	Unemployment and Its Natural Rate
July 19	Chapter 16	The Monetary System
July 20	Midterm exam	
Week 4		
July 24	Chapter 17	Money Growth and Inflation
July 25	Chapter 18	Open-Economy Macroeconomics: Basic Concepts
July 26	Chapter 19	A Macroeconomic Theory of the Open Economy
July 27	Chapter 20	Aggregate Demand and Aggregate Supply
Week 5		
July 31	Chapter 21	The Influence of Monetary and Fiscal Policy on Aggregate Demand
August 1	Chapter 22	The Short-Run Tradeoff between Inflation and Unemployment
August 2	Chapter 23	Six Debates over Macroeconomic Policy
August 3	Final exam	