

ECON172 Principles of Economics II Course Plan

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Course Description and Objectives:

This course is an introductory macroeconomics, the second part of Principles of Economics. This course introduces you to key concepts of macroeconomics and develops a simple macroeconomic model which we use to analyze short run economic fluctuations. Further, this course introduces you to important topics in macroeconomics, such as growth, unemployment, and inflation.

By the end of the course, students should have a general understanding of macroeconomic phenomena and theory and be able to understand the methods used by macroeconomists. Furthermore, you should be able to link the knowledge learned in the class to the real world and to understand newspaper and magazine articles on current macroeconomic issues.

Required textbook and Readings:

The required text for the course is *Principles of Economics*, by Gregory Mankiw, Cengage, 8th edition, 2018. Note that *Principles of Economics* by Gregory Mankiw is the combined textbook with Microeconomics and Macroeconomics. You need the Macroeconomics sections (Ch.23 ~ Ch.36). You may use the Principles of Macroeconomics by Mankiw. In addition, it is also suggested that students get into the habit of browsing the daily newspaper *The Wall Street Journal* or *The Financial Times*, or the weekly magazine *The Economist*.

Course Grade:

Midterm exam: 45%
Final exam: 45%
Class attendance & participation: 10%

Note that grades won't be revised (upgraded/downgraded) unless there is a mistake. Student who doesn't take one of the tests will get an F-grade.

Exams:

There will be two exams (a midterm exam and a final exam) given during the semester. The final exam will cover the material after the midterm exam.

Schedule (Subject to Revision)

Topic	Textbook chapter
<i>Basic Concepts</i> ; National Income	ch.1-6; ch.23 (ch10)
Cost of Living	ch.24 (ch.11)
Production and Growth	ch.25 (ch.12)
Saving, Investment, and the Financial System	ch.26 (ch.13)
The Basic Tools of Finance	ch.27 (ch.14)
Unemployment	ch.28 (ch.15)
The Monetary System	ch.29 (ch.16)
Midterm Exam (TBA)	
Money Growth and Inflation	ch.30 (ch.17)
Open Economy Macroeconomics: Basic Concepts	ch.31 (ch.18)
A Macroeconomic Theory of the Open Economy	ch.32 (ch.19)
Aggregate Demand and Aggregate Supply	ch.33 (ch.20)
The Influence of Monetary and Fiscal Policy on Aggregate Demand	ch.34 (ch.21)
The Short-Run Trade-off between Inflation and Unemployment	ch.35 (ch.22)
Six Debates over Macroeconomic Policy	ch.36 (ch.23)
Final Exam (TBA)	