

## COURSE CONTENT

<b>Course Coordinator</b>	Sng Hui Ying
<b>Course Code</b>	HE1002
<b>Course Title</b>	Macroeconomics I
<b>Pre-requisites</b>	NIL
<b>No of AUs</b>	3
<b>Contact Hours</b>	39 hours (2 hours Lecture & 1 hour Tutorial per week)

### Course Aims

The course aims to provide first-year college students with a sound understanding on the structure and functioning of the economy as a whole. As you are taking an introductory course, you are not expected to have any prior knowledge in economics. Instead, the principles you learn from this course will provide a solid foundation and develop a strong interest for your further study of intermediate and advanced macroeconomics.

### Intended Learning Outcomes (ILO)

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

1. Explain the stylized facts and basic concepts in macroeconomy
2. Describe the three major concerns to macroeconomists in a critical way
3. Examine the equilibrium in three markets using core macroeconomic theory
4. Evaluate the impact of fiscal and monetary policies on economic outcomes
5. Appreciate alternative views in macroeconomic theory
6. Apply the macroeconomic principles to analyse real-world events
7. Collaborate with other team members to produce effective presentations

### Course Content

Macroeconomics is the study of issues that affect the economy as a whole.

1. This course starts with the definition and measurement of three major concerns in macroeconomics: national output, unemployment and inflation.
2. The core of the course explores three important questions: What causes unemployment? What causes inflation? And what are the impacts of fiscal policy and monetary policy on short-run output?
3. In addition, you will be introduced to the determinants of long-run economic growth and the macroeconomic impact of exchange rate and foreign trade.

**Assessment (includes both continuous and summative assessment)**

Continuous Assessment	:	50%
Final Examination	:	50%
<b>Total</b>	:	<b>100%</b>

**Reading and References**

The main textbook is *Principles of Macroeconomics*, any edition from 8<sup>th</sup> to 12<sup>th</sup>, by Karl Case, Ray Fair and Sharon Oster, Pearson Prentice Hall (NTU Library Call Number: **HB172.5.C337**). In the weekly schedule below, this textbook is referred as CFO and the chapter numbers are from the 10<sup>th</sup> edition.

Besides, *Principles of Macroeconomics*, by Gregory Mankiw is highly recommended for extensive reading. Students with a strong theoretical preference and mathematical background are suggested to enjoy the textbook of *Macroeconomics*, by Andrew B. Abel, Ben S. Bernanke and Dean Croushore.

From time to time, I will also upload sources of useful dataset, news from media and opinions from renowned economists on topical macroeconomic issues that are closely related to our course to NTULearn under the category of "For those who are interested". This implies that such content will not appear in your final exam or mid-term quiz. Instead it links what you have learned from this course to the real world examples, making macroeconomic principles relevant, interesting and useful, and helping you to appreciate the power and beauty of economic theory.

**Course Instructors**

Instructor	Office Location	Email
Sng Hui Ying	SHHK 04-60	ahysng@ntu.edu.sg

**Planned Weekly Schedule**

Week	Topic	ILO	Readings/ Activities
Week 1	1 INTRODUCTION TO MACROECONOMICS 1.1 Introduction to macroeconomics 1.2 Measuring national output and income	1	Read CFO chapter 5 and 6; No tutorial
Week 2	2 LONG-RUN AND SHORT-RUN CONCERNS 2.1 Unemployment 2.2 Inflation 2.3 Long-run output and productivity growth	1, 2, 6, 7	Read CFO chapter 7; Self-introduction and grouping
Week 3	3 AGGREGATE EXPENDITURE AND EQUILIBRIUM OUTPUT 3.1 Consumption and planned investment 3.2 Equilibrium aggregate output 3.3 The multiplier	1-3, 6, 7	Read CFO chapter 8; Group presentation for Lecture 1 and 2
Week 4	4 GOVERNMENT AND FISCAL POLICY 4.1 Government in the economy 4.2 Fiscal policy and the multiplier effects 4.3 Government budget and debt	1-4, 6, 7	Read CFO chapter 9; Group presentation for Lecture 3
Week 5	5 MONEY SUPPLY 5.1 How Banks create money?	1-4, 6, 7	Read CFO chapter 10; Group presentation

	5.2 The Federal Reserve System 5.3 How Fed controls the money supply?		for Lecture 4
Week 6	6 MONEY DEMAND 6.1 Interest rates and the bond prices 6.2 The demand for money 6.3 Equilibrium interest rate	1-4, 6, 7	Read CFO chapter 11; Group presentation for Lecture 5
Week 7	7 EQUILIBRIUM IN GOODS & MONEY MARKETS 7.1 Planned investment and interest rate 7.2 Equilibrium in goods and money markets 7.3 The <i>IS-LM</i> model	3, 4, 6, 7	Read CFO chapter 12; Group presentation for Lecture 6
Recess week	NO LECTURE		NO TUTORIAL
Week 8	QUIZ	1 - 4	Revision
Week 9	8 AGGREGATE DEMAND & AGGREGATE SUPPLY 8.1 Aggregate demand curve and supply curve 8.2 Equilibrium price level 8.3 Causes of inflation	1-4, 6, 7	Read CFO chapter 12 and 13; Group presentation for Lecture 7 and quiz questions
Week 10	9 LABOR MARKET AND UNEMPLOYMENT 9.1 Explaining unemployment 9.2 Link between unemployment and inflation	1-4, 6, 7	Read CFO chapter 14; Group presentation for Lecture 8
Week 11	10 DEBATES IN MACROECONOMICS AND LONG- RUN ECONOMIC GROWTH 10.1 Monetarism, new classical economics and supply-side economics 10.2 Sources of long-run economic growth	1-5, 6, 7	Read CFO chapter 17 and 18; Group presentation for Lecture 9
Week 12	11 OPEN-ECONOMY MACROECONOMICS 11.1 Balance of payments 11.2 Equilibrium output in an open economy 11.3 Open economy with flexible exchange rates	1-4, 6, 7	Read CFO chapter 20; Group presentation for Lecture 10
Week 13	12 REVISION AND Q&A	1-7	Practice with mock final exam paper; Group presentation for Lecture 11