 Date: August 2014 Introduction to Economics – Macro

66-003-01

**Type of course: Lecture**

**Year of Studies:** 2014-2015 **Semester:** Spring  **Hours/credits: 3**

**Course objectives:**  This course is primarily devoted to providing an introduction to macroeconomics, the branch of economics that analyzes economy-wide problems like inflation and unemployment, and which studies the forces underlying economic growth.

**Course description:** The course begins with 3-4 lessons to complete the introduction to microeconomics that was the topic of Introduction to Economics I. The course then turns to macroeconomics, first discussing the topic of economic growth. Students are then introduced to the financial system and to the problem of unemployment. The course then turns to the monetary system and the problem of inflation. Finally, students are introduced to open-market macroeconomics, aggregate supply and demand, monetary and fiscal policy, and the short-run inflation-unemployment tradeoff.

**The process of the course:** The course is based on lectures and class discussion, with required weekly problem sets.

**Prerequisite:** Introduction to Economics I (66-002-01)

**Course requirements:**  (1) Class attendance and required readings, (2) problem sets, and (3) final examination

**Grade components:** 85% final examination grade; 15% grade on problem sets

**Required textbook:**  N. Gregory Mankiw, *Principles of Economics*, fourth edition (South-Western)

**Detailed lesson plan:**

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| Required Reading | Topic of the Lesson | Number of Lesson |
| Mankiw, Ch. 18 | Markets for the Factors of Production | 1 |
| Mankiw, Ch. 20 | Income Inequality and Poverty | 2 |
| Mankiw, Ch. 21 | Theory of the Consumer | 3 |
| Mankiw, Ch. 22 | Frontiers of Microeconomics | 4 |
| Mankiw, Ch. 25 | Production and Growth | 5 |
| Mankiw, Ch. 26 | Savings, Investment, and the Financial System | 6 |
| Mankiw, Ch. 28 | Unemployment | 7 |
| Mankiw, Ch. 29 | The Monetary System | 8 |
| Mankiw, Ch. 30 | Money Growth and Inflation | 9 |
| Mankiw, Ch. 31 | Open-Market Macroeconomics: Basic Concepts | 10 |
| Mankiw, Ch. 32 | A Macroeconomic Theory of the Open Economy | 11 |
| Mankiw, Ch. 33 | Aggregate Demand and Supply | 12 |
| Mankiw, Ch. 34 | Monetary and Fiscal Policy | 13 |
| Mankiw, Ch. 35 | The Short-Run Inflation-Unemployment Tradeoff | 14 |
| Mankiw, Ch. 36 | Five Debates in Macroeconomic Policy | 15 |