

Course ID Number: PEC4020

Course Title: Basic Macroeconomics

No. of Credits: 2

Graduate School of International Relations
International University of Japan

Term: Fall 2010

Instructor: Koji Kotani

E-mail: kkotani

Office: 331

Phone: 409

Course Introduction

This course deals with basic macroeconomics, and will look at these issues, among others, from theoretical, institutional and policy perspectives. We will examine the inner workings of the economy and develop models which we will use to analyze a variety of monetary and fiscal policy issues. The focus of this course is on (i) closed macroeconomics in which exchange rate regimes and international trade are not considered (of course, knowledge on closed macroeconomy is the basis to study open macroeconomics), as well as on (ii) static analysis of macroeconomics (static analysis on macroeconomy is a basis for dynamic macroeconomics such as real business cycle and search theory covered in the second semester macroeconomics taught by Prof. Miyamoto). Therefore, those who want to study open and dynamic macroeconomics should take this course as well as the subsequent courses of "macroeconomics" (i.e., basic dynamic macroeconomics), "international finance" (i.e., open macroeconomics), "macroeconomics and policy analysis" (i.e., advanced macroeconomics) as well as "international trade" offered in the following semesters. In this course, it is important for you to read an assigned chapter of the textbook prior to each class.

Syllabus: Basic Macroeconomics, Fall 2010

Instructor: Koji Kotani

Office Hour: 16:20~17:20 on friday

E-mail: kkotani@iuj.ac.jp

Course synopsis: This course deals with basic macroeconomics, and will look at these issues, among others, from theoretical, institutional and policy perspectives. We will examine the inner workings of the economy and develop models which we will use to analyze a variety of monetary and fiscal policy issues. The focus of this course is on (i) closed macroeconomics in which exchange rate regimes and international trade are not considered (of course, knowledge on closed macroeconomy is the basis to study open macroeconomics), as well as on (ii) static analysis of macroeconomics (static analysis on macroeconomy is a basis for dynamic macroeconomics such as real business cycle and search theory covered in the second semester macroeconomics taught by Prof. Miyamoto). Therefore, those who want to study open and dynamic macroeconomics should take this course as well as the subsequent courses of “macroeconomics” (i.e., basic dynamic macroeconomics), “international finance” (i.e., open macroeconomics), “macroeconomics and policy analysis” (i.e., advanced macroeconomics) as well as “international trade” offered in the following semesters. In this course, it is important for you to read an assigned chapter of the textbook prior to each class.

Required text for the course

- Abel, A. B., Bernanke, B. S., and Croushore, D. (2010). *Macroeconomics*. Addison Wesley, 7 edition

Teaching assistant: The TAs shall assist the students in various concerns relating to this course. Tutorial sessions will be held weekly mainly to help the students answer the problem set questions. They shall also hold office hours on the below-stated time and place. There will be a walk-in consulting room at which students may meet with teaching assistants individually or in small ad hoc groups (having similar questions). The teaching assistants are also available on a priority basis to meet with individual study groups at mutually agreeable times. At anytime within the office hours, the students can pop-in and ask questions related to the course. TAs will be responsible for grading your tests/HW as well as conducting recitation sessions. The sessions will be devoted to reviewing the material presented during lectures and solving problems.

Table 1: TAs' contacts

| TA | Email | Phone |
|----------------|--------------------|-------|
| Raja Timilsina | timilsin@iuj.ac.jp | 707 |
| Richardson Cua | rtcua@iuj.ac.jp | 338 |

Please contact your TAs via e-mail or phone in table 1 prior to a session with any question/problem you would like them to go over in class.

- Tutorial sessions: Friday, 20:00-21:00
- Office hours: Tuesday, 16:00-17:00 at Study Room 2

Regrade requests You can request a re-grade if you suspect a grading error on the tests (Quiz/HW/tests). However, be very precise by double-checking your answer before you claim a grading error. Your tests will then be re-graded if needed. Do not submit tests for re-grading unless you have a good reason to do so. Your entire test will be re-graded and there is a good chance that you may lose rather than earn points if the original grade was too generous.

Grading policy:

- Preliminary exam, 40%
- Final exam, 40%
- Problem sets and quizzes, 20%

Problem sets and quizzes Problem sets and quizzes are assigned throughout this course. In total, 5-6 problem sets will be given, and quizzes are randomly conducted in the classroom.

Course schedule

Topic 1: Basics of macroeconomics, (Chapter 2)

Topic 2: The production function and aggregate supply (Chapter 3)

Topic 3: Foundation of aggregate demand (Chapter 4)

Topic 4: Money and the role of asset markets (Chapter 7)

Topic 5: Preliminary exam

Topic 6: IS-LM: A model of the macroeconomy (Chapters 9)

Topic 7: Classical macroeconomics (Chapter 10)

Topic 8: Keynesianism (Chapter 11)

Topic 9: Final exam

References

Abel, A. B., Bernanke, B. S., and Croushore, D. (2010). *Macroeconomics*. Addison Wesley, 7 edition.