



## Introduction to Macroeconomics

<b>Course Code</b>	200.207		
<b>Class Times</b>	Mon/Wed/Thu 13:00~16:00	<b>Classroom</b>	TBA
<b>Equivalent Year Level</b>	1 or 2	<b>Course Credit</b>	3
<b>Instructor</b>	Young Sik Kim	<b>Sessions</b>	1-6
<b>Office</b>	Bldg.16, Rm. 656	<b>Email</b>	kimy@snu.ac.kr
<b>Office Hours</b>	TBA		
<b>Teaching Assistant</b>	Han-Sol Kim ( <a href="mailto:kaljaru128@snu.ac.kr">kaljaru128@snu.ac.kr</a> )		

### □ Instructor's Profile



#### **Young Sik KIM**

Professor, Department of Economics, Seoul National University

Young Sik Kim is Professor of Economics at Seoul National University and affiliated with the SNU Institute of Research for Finance and Economics (SIRFE). He also taught at the University of Iowa in the U.S. and at the Victoria University of Wellington in New Zealand. His research interests include key issues in monetary economics and macroeconomics. He has had publications in the *Journal of Monetary Economics*, *Economic Journal*, *Journal of Money, Credit, and Banking*, *Review of Economic Dynamics*, and *Journal of Economic Dynamics and Control*.

#### **Education**

Ph.D., Economics, University of Iowa

M.A., Economics, Carnegie Mellon University

B.A., English Language and Literature, Seoul National University

#### **Expertise**

Monetary Economics, Macroeconomics, Financial Intermediation

#### **Most Recent Works**

Money, Unit of Account, and Nominal Rigidity (with Manjong Lee), *Economics Letters*, 2017.

Who should bear the resource cost of electronic transaction? (with Manjong Lee), *Journal of Macroeconomics*, 2016.

Separation of Unit of Account from Medium of Exchange (with Manjong Lee), *Journal of Money, Credit and Banking*, 2013.

Intermediary Cost and Coexistence Puzzle (with Manjong Lee), *Economics Letters*, 2012.

Return on Commodity Money, Small Change Problems, and Fiat Money (with Manjong Lee), *Journal of Money, Credit and Banking*, 2012.

A Model of Debit Card as a Means of Payment, (with Manjong Lee), *Journal of Economic*



*Dynamics and Control*, 2010.

## □ Course Information

Course Description	The course provides an introduction to the study of a national economy (i.e., macroeconomy) with particular emphasis on issues such as the determination of income and employment, inflation, short-run business cycles, long-run economic growth, macroeconomic policies, and economic crises. More specifically, we want to understand the followings: (1) how the key macroeconomic variables are defined and measured; (2) how those macroeconomic variables would change in response to changes in circumstances, including both domestic and external disturbances; (3) what are the key facts of long-run economic growth and why countries have had different growth experiences; (4) what are the key facts of short-run business fluctuations and why economies go through business cycles and crises; (5) how macroeconomic policies can affect the economy. Policies here include fiscal policies, monetary policies, exchange rate policies, trade policies, and growth policies.
Course Evaluation	Problem set and Class participation 30% Midterm exam 30% Final exam 40% <b>Attendance</b> will be important for keeping up with class. Good attendance and <b>active participation</b> will be reflected in grade.
Recommended Textbook	N. Gregory Mankiw, <i>Principles of Macroeconomics</i> , 7 <sup>th</sup> or 8 <sup>th</sup> edition, Cengage Learning, 2014 or 2018.
Etc. (e.g. Guidelines)	Please be advised that exam questions for mid-term and final exam will be based on the lectures, problem sets, and practice questions given in class.

## □ Course Schedule

### Introduction: How Markets Work

#### **Session 1 (June 27, Wed) – Gains from Trade and Market Formation**

- Mankiw, Chapter 1 (Ten Principles of Economics)
- Mankiw, Chapter 2 (Thinking Like an Economist)
- Mankiw, Chapter 3 (Interdependence and Gains from Trade)

#### **Session 2 (June 28, Thu) : Supply, Demand, and Elasticity**

- Mankiw, Chapter 4 (The Market Forces of Supply and Demand)
- Mankiw, Chapter 5 (Elasticity and Its Applications)

#### **Session 3 (July 2, Mon) : Supply, Demand, and Government Policies**



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- Mankiw, Chapter 6 (Supply, Demand, and Government Policies)

### **What to Explain: The Data of Macroeconomics**

#### **Session 4 (July 4, Wed) : Measurements of Key Aggregates**

- Mankiw, Chapter 10 (Measuring a Nation's Income)
- Mankiw, Chapter 11 (Measuring the Cost of Living)

### **How to Explain and Predict I: Macroeconomy in the Long Run**

#### **Session 5 (July 5, Thu) : National Economy in the Long Run – Economic Growth**

- Mankiw, Chapter 12 (Production and Growth)

#### **Session 6 (July 9, Mon) : National Economy in the Long Run – Investment and Finance**

- Mankiw, Chapter 13 (Saving, Investment, and the Financial System)
- Mankiw, Chapter 14 (The Basic Tools of Finance)

#### **Session 7 (July 11, Wed) : National Economy in the Long Run – Unemployment**

- Mankiw, Chapter 15 (Unemployment)

#### **Session 8 (July 12, Thu) – *Mid-term Exam***

#### **Session 9 (July 16, Mon) : National Economy in the Long Run – Money**

- Mankiw, Chapter 16 (The Monetary System)

#### **Session 10 (July 18, Wed) : National Economy in the Long Run – Inflation**

- Mankiw, Chapter 17 (Money Growth and Inflation)

### **How to Explain and Predict II: Macroeconomy in the Short Run**

#### **Session 11 (July 19, Thu) : National Economy in the Short Run – Business Cycles**

- Mankiw, Chapter 20 (Aggregate Demand and Aggregate Supply)

#### **Session 12 (July 23, Mon) : National Economy in the Short Run – Stabilization Policy**

- Mankiw, Chapter 21 (The Influence of Monetary and Fiscal Policy on Aggregate Demand)
- Mankiw, Chapter 22 (The Short-Run Trade-Off between Inflation and Unemployment)

### **The Macroeconomics of Open Economies**

#### **Session 13 (July 25, Wed) : Open Economy**

- Mankiw, Chapter 19 (Open-Economy Macroeconomics: Basic Concepts)
- Mankiw, Chapter 19 (A Macroeconomic Theory of the Open Economy)

#### **Session 14 (July 26, Thu) – Review**



**Session 15 (July 27, Fri) - *Final Exam***