Among many interesting topics people talk about often times, economic issues constitute a major part: Why the US, though still the strongest economy in the world, is somehow challenged by the fast growth in Asia and Latin America? What makes one nation grow faster than another? How do firms decide what to produce and how much to produce? What motivate nations to trade with each other? How to interpret the fluctuation in the security market? .... The course of Macroeconomics is designed and will be taught in a way such that it will contribute to your knowledge in Economics by trying to answer these questions. However, you will find eventually that what you really have learned from the course is the ability to analyze what one observes in the real world effectively. Years later, you may not remember the exact questions I ask you in the tests or the answers you gave during the tests, but I am sure the logic behind the correct answers will become part of you, and you will find it very useful in your life.

**Text**

*Required:*

*Recommended:*
Wall Street Journal
Herbert Stein & Murray Foss *"American Economy"* 2nd Edition

**Structure of the course**

**Lectures:** We will meet twice a week on Tuesday and Thursday.

**Homework:**
1) Home work will be on biweekly basis.
2) Homework should be turned in promptly on due date.
3) Format of homework will be similar to exams: Multiple Choices & Short Essays. (Certain calculations required, but very simple)
4) We will drop the lowest homework grade automatically at the end of the semester.

**Project:**
The group project will be focused on security market analysis. You will be required to work with each other as a group in collecting data on the behavior of certain types of securities, then doing some analysis. I will handout a sample before you start the project, so that you will know the right procedure to follow. The data source is primarily Wall Street Journal.

**Quizzes:**
There will be about 4-5 short quizzes in recitations. They will be announced in advance.

**Exams:**
There will be two midterms, one final. You are required to take all the exams.
How the final grade will be calculated

Homework: 10%
Quizzes: 10%
Project: 10%
Midterm 1: 20%
Midterm 2: 20%
Final: 30%

Curving is only a possibility.

Semester Schedule

Week 1 1/15 - 1/19: Introduction to Economics (Ch 1,2)
                      Scarcity & Choice (Ch 3)

Week 2 1/22 - 1/26:  Scarcity & Choice (Ch 3) cont.
                      Supply & Demand (Ch 4)

Week 3 1/29 - 2/2:  Supply & Demand (Ch 4) cont.

Week 4 2/5 - 2/9:    Macroeconomic history (Ch 5)
                      Unemployment & Inflation (Ch 6)

Week 5 2/12 - 2/16: Income & Spending (Ch 7)

Week 6 2/19 - 2/23: Income & Spending (Ch 7) cont.
                      Aggregate Demand (Ch 8)

Week 7 2/26 - 3/1:  Multiplier Analysis (Ch 9)

Week 8 3/4 - 3/8:   Midterm 1
                      Aggregate Supply (Ch 10)

Week 9 3/11 - 3/15: Fiscal Policy (Ch 11)

Week 10 3/18 - 3/22: Money & Banking System (Ch 12)

Week 11 4/1 - 4/5:  Monetary Policy (Ch 13, 14)

Week 12 4/8 - 4/12: Budget Deficits & National Debt (Ch 15)
                      Midterm 2

Week 13 4/15 - 4/19: Trade-off between inflation and unemployment(Ch 16)

Week 14 4/22 - 4/26: International Trade (Ch 18)

Week 15 4/29 - 5/3:  International Finance (Ch 19, 20)

Week 16 5/6 - 5/10: Final Exam