**Principles of Economics (경제원론2)**

Dirk Bethmann

Fall 2021

**Course Requirements and Syllabus**

**Instructor**: Prof. Dr. Dirk Bethmann

 E-mail: dirk@korea.ac.kr

**Course Introduction**

Economic theory consists of microeconomics and macroeconomics. Principles of Economics 2 introduces to you the field of macroeconomics which considers economies as a whole. Typical questions in macroeconomics include how can short-run fluctuations be minimized or how can long-run economic growth be sustained. During the course of the semester we will cover topics such as the measurement of national income, economic growth, unemployment, inflation, money, international trade and exchange rates, short-run fluctuations, the effectiveness of monetary and fiscal policy, and the Phillips curve.

At the end of this course, we should have a general understanding of macroeconomic phenomena and theory. We should be able to have a general understanding of the unique perspective taken by macroeconomists in their study of society and human behavior. Also, we should be able to understand the methods used by macroeconomists and how they are applied to everyday decisions.

**Note that classes will be delivered online because of the ongoing COVID-19 pandemic.**

**Required Text**

N. Gregory Mankiw, Principles of Economics, 9th Edition, ISBN: 978-0357038314

Please note that the 6th, 7th and 8th editions are still fine.

**Grading Policy (applicable to all students)**

There will be one midterm and one final exam (both in English) with equal weights. Your participation in class will enter the final score with a weight of 10%. Exam questions are mostly of multiple-choice or short-answer type.

**Class Policy**

Attendance is mandatory once you have registered for the course. In case you are going to be absent, it is your responsibility to inform me *in advance* and provide me with a document confirming the reason for your absence. If you report to class after the roll has been called out, you will be marked as absent. In case of illness or other unforeseeable circumstances, you must document those circumstances as soon as possible to be marked as excused.

**Schedule (Subject to Revision)**

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| **Topic** | **Material Covered** |
| ***0*** | *Ch 1-6: Prerequisites* |
| **1** | Ch 23: National Income |
| **2** | Ch 24: Cost of Living |
| **3** | Ch 25: Production and Growth |
| **4** | Ch 26: Saving, Investment, and the Financial System |
| **5** | Ch 27: The Basic Tools of Finance |
| **6** | Ch 28: Unemployment |
| **7** | Ch 29: The Monetary System |
| **Midterm Exam** |
| **8** | Ch 30: Money Growth and Inflation |
| **9** | Ch 31: Open Economy Macroeconomics: Basic Concepts |
| **10** | Ch 32: A Macroeconomic Theory of the Open Economy |
| **11** | Ch 33: Aggregate Demand and Aggregate Supply |
| **12** | Ch 34: The Influence of Monetary and Fiscal Policy on Aggregate Demand |
| **13** | Ch 35: The Short-Run Trade-off between Inflation and Unemployment |
| **14** | Ch 36: Six Debates over Macroeconomic Policy |
| **Final Exam** |