



ONLINE Ljubljana Summer School

"Take the Best from East & West"

4 – 22 July 2022

Macroeconomics

Bachelor course

10:00 – 12:30

INBONG Ha

Kyungpook National University, Korea South

Course objectives and learning outcomes:

The course is to understand issues of economic growth, unemployment, price level, interest rate, and exchange rate. The objectives of this course are to study developed theories of the macroeconomic schools and to review the impact of policy results.

The course covers Classical, Keynesians, Monetarism, Rational Expectations, and Open Macroeconomics to illustrate similarities and differences of the theoretical school models.

The goals for the class are three-folds: 1) to enhance the students understanding of the macroeconomic theories, 2) to use theories to analyze the recent economic behavior of the Europe, U.S., and Asian economy, 3) to address how current policy initiatives affect nation's economic performance.

Prerequisites for attending the course:

No reading or extra preparation is required prior to the course.

Course syllabus/Daily topics:

Topic I: Macroeconomics Theory Development

Topic II: Outlook for World and European Economies

Selected Readings:

- Inbong Ha, PPT - World Economic Trend and Europe.

Topic III: *Classical Macroeconomics Theory*

Determination of GDP (National Income)

Determination of Interest Rate

Determination of price level: Quantity Theory of Money

Selected Readings:

- Taylor, John B. Lessons from the Financial Crisis for Teaching Economics, National Conference on Teaching Economics and Research in Economic Education, June 2, 2011.



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Topic IV: Keynes and Keynesian Theory

Determination of GDP - Multiplier effect

Liquidity preference: Money market equilibrium

IS-LM model

AD-AS model

Keynesian Phillips curve

Okun's law

Selected Readings:

- Krugman, Paul. Why aren't we all Keynesians yet?, 8 March, 1998.

Topic V: Monetarists

Friedman's Permanent Income hypothesis

Cagan's Adaptive Expectations

Monetarist's Short-run and Long-run Phillips curve

Selected Readings:

- Quantitative easing and Tapering, Wikipedia.
- Modern Money Mechanics, a workbook on bank reserves and deposit expansion, Federal Reserve Bank of Chicago.
- New Currency Order: US Dollar Losing Reserve Status and Japanese Yen, Swiss Franc and Yuan Are Gaining, Submitted by IWB, on May 29th, 2013

Topic VI: Rational Expectations (Optional)

Lucas' Policy Ineffectiveness

Real Business Cycle Theory

Selected Readings:

- Gertchev, Nikolay. A Critique of Adaptive and Rational Expectations, Quart J Austrian Econ, October, 2007.
- Sargent, Thomas. Macroeconomic Theory 2nd edition, Academic Press, 1987.
- The Four Horsemen of the Economic Revolution
https://youtu.be/lb0xFVy4_RU

Topic VII: Open Macroeconomics (Optional)

Exchange rate determination

Mundell-Fleming model

Course materials/List of readings:

Froyen Richard T, Macroeconomics: Theory & Policies 9th edition, Pearson International.

Teaching methods:

Course evaluation will be based on class presence, homework, mid-term, and final exams.



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Examination methods and evaluation criteria (weighted categories):

The exams will consist of multiple-choice questions and short-answer questions. Make-up exams are only given with prior approval based on notification of the professor before the exam date

Grading scale:

DEFINITION	%	LOCAL SCALE	ECTS SCALE	Grade (USA)
exceptional knowledge without or with negligible faults	92-100	10	A	A+, A, A-
very good knowledge with some minor faults	85-91	9	B	B+, B
good knowledge with certain faults	77-84	8	C	B
solid knowledge but with several faults	68-76	7	D	C+, C, C-
knowledge only meets minimal criteria	60-67	6	E	D+, D
knowledge does not meet minimal criteria	<60	5	F	