Course Description:
The course of Applied Macroeconomics deals with aggregate economic performance and business conditions. The major topics are the causes of economic expansions and recessions, inflation and unemployment, fiscal and monetary policies, short-run instability, and long-run growth. Students will become familiar with the national income accounts and basic macroeconomic variables like price indices, GDP and its components, and labor market indicators. In this course, we utilize basic macroeconomic models to analyze the interaction between the three fundamental markets of an economy: the goods and services market, the asset market, and the labor market. We apply these models to examine how monetary policy, fiscal policy and forex shocks to the economy affect the main economic variables.

I strongly suggest you to read the Wall Street Journal or Economist.com regularly.

Tentative Schedule:

Section I
Chapter 1: Introduction to Macroeconomics

(subject to revision)
Chapter 2: The Measurement and Structure of the National Economy
Chapter 3: Productivity, Output and Employment
Chapter 4: Consumption, Saving and Investment
Chapter 7: The Asset Market, Money and Prices

MIDTERM I Covering Section I on 10/8/2008

Section II
Chapter 9: The IS-LM/AD-AS Model
Chapter 14: Monetary Policy and the Federal Reserve System
Chapter 15: Government Spending and Its Financing

MIDTERM II Covering Section II on 11/7/2008

Section III
Chapter 12: Unemployment and Inflation
Chapter 8: Business Cycles
Chapter 13: Exchange Rates, Business Cycles and Macro Policy in the Open Economy
Chapter 6: Long-run Economic Growth (time permitting)

LAST CLASS: 12/5/2008
FINAL EXAM TBD by the university

Course Policies:
(1)Grading:

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Each exam includes about 25-30 multiple choices and one essay type question. Yes, there will be a curve.

(2) Homework: Problem sets will be posted regularly through my website. I may or may not collect them. I will not accept any late submission if I decide to collect them. A complete understanding of solving homework assignments is absolutely necessary for getting good grades on exams.
(3) Quiz: Four or Five Quizzes will be given in class randomly throughout the semester. Each quiz will last no longer than 10 minutes. The lowest one will be dropped. Just take it easy.

(4) Exams: The closed-book exams will draw on material contained in the lectures, the assigned readings, and the homework problems. You are responsible for reading the entire assigned chapter and any additional material that is covered in lecture. Please bring your student ID to the exam.

- No make-up exams will be given. Excuses for absences from exams are limited to verifiable illness and emergencies. In particular, I require a university approved excuse. If the absence from a midterm exam is excused, the final exam will be re-weighted accordingly. An unexcused absence from any exam will result in a score of zero for that exam. A business-related absence does not qualify as an excused absence, but may qualify for an early make-up. If you miss the final exam, you will FAIL in this course automatically.

- Zero Tolerance on Cheating. Any student caught cheating on an exam or engaging in any unethical behavior will receive a grade of F for the course and the dean will be notified and asked to pursue further action.

(5) Attendance and Classroom Participation: Regularly attending class is strongly recommended. Some issues addressed and some information provided in class may not be found in the textbook. You are expected to read the chapters BEFORE coming to class. If you miss a class, make sure that you know about in-class happenings. Merely having a copy of the lecture notes is not a substitute for class attendance. Your participation will be considered when your letter grade is determined. Sometimes it helps you a lot :)

Important Dates:
- September 1 (Monday) Labor Day (University Closed)
- September 2 (Tuesday) Last day to drop with full refund
- October 17 (Friday) Last day to drop with a DR or WI grade
- November 28 (Friday) Thanksgiving day