

ECN110 Macroeconomics

1st and 2nd quarters, Sophomore

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| Instructor | IIDA TAKESHI |
| Style of Class | Lecture |
| Number of Credits | 2 |
| Day and Period | Thursday, period 2 |

Course Description

The purpose of this course is to learn the fundamental mechanisms underpinning the fiscal and financial policy that help enhance and provide stability to people's lives. Students will first cultivate an understanding of various concepts related to national income and its determinants. Equipped with this knowledge, they will analyze commodities markets, monetary markets and labor markets, and gain a clearer perspective on how these markets are correlated, and how interest rates and commodity prices are formed. Based on clear understanding of the above, students will learn about the impact of fiscal and financial policies on the national economy.

Course Objectives

Students will:

- (1) understand the determinants of national income,
- (2) understand the correlation between commodities markets, monetary markets and labor markets, and
- (3) have acquired the fundamental theory underpinning fiscal and financial policy.

Expected Outcomes

Acquire knowledge of various approaches in the field of economics.

Acquire ability to discuss relevant economic problems using fundamental macroeconomic theory.

Prerequisites

None in particular.

Class Materials

Nakatani Iwao (2012), *Daigoban nyumon makuro-keizaigaku* (Introduction to Macroeconomics 5), Nippon Hyoronsha.

Reference:

Ito Motoshige (2012), *Dainiban makuro-keizaigaku* (Macroeconomics 2), Nippon Hyoronsha.

Course Method

Lectures will mainly use the blackboard and be supplemented with PowerPoint presentations if necessary.

Grading

20% Question assignments

20% Midterm exam

60% Final exam

Course Schedule

Week 1:

Definition of macroeconomics

Week 2:

Various concepts related to national income

Week 3:

Determinants of national income (45-degree cross model and the principle of effective demand)

Week 4:

To which degree can fiscal policy lift the national income? (Multiplier theory 1)

Week 5:

Public works or tax reductions? (Multiplier theory 2)

Week 6:

Correlation between investment and interest rates (IS-LM analysis 1)

Week 7:

Definition of money (IS-LM analysis 2)

Week 8:

Monetary markets and LM curve (IS-LM analysis 3)

Week 9:

Effects of fiscal and financial policy (IS-LM analysis 4)

Week 10:

Side effects of fiscal policy (crowding out)

Week 11:

Approaches to fiscal policy (money supply and credit creation)

Week 12:

Commodities/monetary markets and derivation of aggregate demand (AD) curve (AD-AS analysis 1)

Week 13:

Classical and Keynesian approaches to the labor market (AD-AS analysis 2)

Week 14:

Labor market and derivation of aggregate supply (AS) curve (AD-AS analysis 3)

Week 15:

Correlation between commodities markets, monetary markets and labor markets, and the role of the government (AD-AS analysis 4)

Preparation and Follow-up

Preparation: Review the relevant textbook chapters ahead of class (approx. 1 hour).

Follow-up: Students will be assigned questions after each class. While responding to the questions, they will be expected to review class content and identify points requiring further clarification (approx. 1 hour).