Course Outline

EE312 Macroeconomic Theory (Section 046402)

Semester 1/2024 (August 13 - Dec 2, 2024)

1. **Lecture Time/Venue:** Section 046402: Wed. & Fri. 13.00-15.00 hours (Room#304)

2. **Instructor: Asst. Prof. Dr. Kittichai Saelee**

   Office Room: Room 517; Econ-TU Tha-Pra-Chan bldg.

   Email: kittichai_lee[at] econ.tu.ac.th

   LMS platform: Google classroom (An invitation link will be sent to your @st email.)*

   Office hours: By appointment. Schedule an appointment with your school email.

3. **Number of Credit:** 4 Credits (4-0-8)
4. **Prerequisite:** a) EE211 and EE212 or b) EE213 and EE214
5. **Course Description:**

The model of joint equilibrium in product markets, money markets, and foreign exchange markets (the IS-LM-BP model); changes in equilibrium; product markets and labor markets; the model of aggregate supply and demand in closed and open economies; inflation, unemployment, and the Phillips curve; dynamic AD-AS framework; economic stabilization policies; growth theory, micro-foundation of macroeconomics focusing on real business cycle model, new classical model, and new Keynesian model; applications of Macroeconomic theory to analyze economic situations.

6. **Course Objectives:**

To provide students with an understanding of macroeconomic theory and its analytical approach to economic system, as well as an ability to apply macroeconomic theory to economic problems and policies.

7. **Expected Learning Outcomes EE312**

7.1) Morality and Ethics

Applicability	**Expected Learning Outcomes**	**Evaluation Methods**
●	1. Students demonstrate integrity.	Quizzes / Exams
○	2. Students prioritize social and public benefits over personal ones.	
●	3. Students are punctual and comply with the code of conduct of the institution and society at large.	Observed class attendance / Quizzes / Exams
○	4. Students are responsible and accountable to society, the nation, and the subject of economics.	
○	5. Students realize the cultural and environmental value of a sustainable society.	

7.2) Knowledge

Applicability	Expected Learning Outcomes	**Evaluation Methods**
●	1. Students know and understand modern economics principles and theories, and are up to date with new developments.	In-class participations / Quizzes / Exams
●	2. Students know and understand Thai and global economic structure and the importance of major international economic events.	In-class participations / Quizzes / Exams
●	3. Students know and understand the instruments of economic analysis.	In-class participations / Quizzes / Exams
●	4. Students know and understand applied fields in economics, including monetary, public, international, business, natural resource, and environmental, industrial, agricultural, cooperative, political, developmental, and entrepreneurial economics as well as agribusiness.	In-class participations / Quizzes / Exams
○	5. Students are informed about related fields including sociology, business administration, education, law policy, and science.	

7.3) Intellectual Development

Applicability	Expected Learning Outcomes	**Evaluation Methods**
●	1. Students have developed individual critical thinking.	In-class participations / Quizzes / Exams

●	2. Students are sufficiently trained in research skills.	In-class participations / Quizzes / Exams
●	3. Students demonstrate an ability to analyze and synthesize data, as well as appropriately integrate economics concepts to understand the causes of current economic problems in Thailand. Based on analysis and synthesis, students demonstrate an ability to propose policy guidelines to resolve problems.	In-class participations / Quizzes / Exams

7.4) Interpersonal Skills and Responsibilities

Applicability	Expected Learning Outcomes	**Evaluation Methods**
●	1. Students are responsible for assigned tasks and work in groups effectively.	In-class participations / Quizzes / Exams
●	2. Students have problem-solving skills.	In-class participations / Quizzes / Exams
○	3. Students show leadership skills and team spirit.	
●	4. Students are always improving themselves.	In-class participations / Quizzes / Exams
○	5. Students have good interpersonal skills, adapt, and work under different conditions.	

7.5) Quantitative Analysis, communication, and information technology

Applicability	Expected Learning Outcomes	**Evaluation Methods**
○	1. Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.	
○	2. Students communicate effectively and select appropriate presentation methods.	
○	3. Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.	

Remark: ● Primary expected outcome ○ Secondary expected

8. Main Texts:

- Mankiw Gregory. Macroeconomics. Pearson Education, 2016 (M.)
- Froyen Richard. Macroeconomics: Theories and Policies. 10th edition. Pearson Education Limited, 2013. (F.)
- Williamson Stephen D. Macroeconomics. 5th edition. Pearson Education Limited, 2018. (W.)

9. Suggested Readings:

Supplement readings will be posted on the instructor's LMS platform.

10. Assessments:

Types of assessment methods	Weight	Remarks
Quizzes	12 %	• All **six** quizzes are scheduled in advance. **No makeup quiz will be given;** check all quizzes' date from the below teaching schedule. • The **best FIVE quizzes will be selected** to calculate the overall score of quizzes. The **lowest one will be dropped out.** • Each **quiz will be administered after the lecture hours.** Students will have 25 minutes to complete their quizzes.
Group assignments	8 %	- Submit the name lists of group member via Google spreadsheets: https://shorturl.at/loTTS - First entry ID is the head of your team. Head is responsible for uploading your group's work on GG classroom. No late homework is accepted. - There are 4 assignments, with the due dates given. • Assignment 1, due 30 Aug (before midnight) • Assignment 2, due 27 Sept (before midnight) • Assignment 3, due 23 Oct (before midnight) • Assignment 4, due 20 Nov (before midnight)
Midterm exam (with max raw score = 180 points)	40 %	• **Oct 2th 2024 (15.00-18.00: 3 hours)**. • Please refer to the guideline on exam policy below.
Final exam (with max raw score = 180 points)	40%	• **Dec 11th 2024 (09.00-12.00: 3 hours)** • Please refer to the guideline on exam policy below.

Note:

1. Each student's cumulative score will be updated via LMS platform. Check the link to grade spreadsheet posted on the LMS platform. Alert the instructor if you see any errors.
2. Guideline for midterm and final exams:

- You must strictly follow the guidelines on the exam set out in the official announcement of the faculty of economics and B.E. international program.
- Accommodations for students with verified medical conditions will be made according to the University's and Faculty's policies. For privacy purposes and record tracking, please contact B.E. office by email. Your request will be reviewed by B.E. office.
- Students who miss the exam due to an emergency or unforeseen circumstance should contact the B.E. office as soon as possible. You may file the request to schedule a makeup exam. Your request will be reviewed by B.E. office.

11. Grading Criteria:

We do the grading separately, i.e. section-by-section. If the pure criteria-based grading is deemed appropriate and can be directly applied, I follow the general guideline of the university described below. Note that I reserve the right to adjust the grading decision as I see fit.

A = 4.0 (85-100)	B+ = 3.5 (75-84)
B = 3.0 (70-74)	C + = 2.5 (65-69)
C = 2.0 (60-64)	D+ = 1.5 (50-59)
D = 1.0 (40-49)	F = 0 (0-39)

Note: When the final grade is posted on the Reg-TU system, students may file their request for a grade reconsideration. Contact the BE office if you would like to do so.

12. Teaching Class Schedule:

Session	Date		Month	Topics	Details	Materials	Note
1	14	Wed	Aug	Class Overview & Intro to Business cycles	- Class logistics - What do we study in this class? Roadmaps - Intro to business cycles framework - Framework for Long-run macroeconomy and Trend determination	*W. Ch. 1 / Ch. 2* *W. Ch. 3* *M. Ch. 10*	
2	14	Wed		Long-run Macroeconomy	- Production technology & MP - Labor demand curve and its determinants. - Labor supply curve and its determinants - Labor market outcome & Long-run equilibrium - Drivers for Long-term equilibrium & Trends - Linkage to Growth theory	*F. Ch. 3 - 4* *M. Ch 3*	Make-up: Aug 16st
3	21	Wed		AD-AS framework of economics fluctuations 1	- Big picture of business cycles fluctuations - Building blocks of core AD-AS model - *IS-LM model & Derivation of AD curve (Self-study)* - Views on Aggregate supply relation - Incorporating institutional features to Labor market framework - Derivation of expectation-augmented AS curve & its determinants	*F. Ch 5 – 8* *M. Ch 11 – Ch 14*	** Check online materials for IS-LM-AD framework - Self study (review of EE212)
4	21	Wed		AD-AS framework of economics fluctuations 2	- Equilibrium representation: Graphical diagrams under multi-market macroeconomy - Shocks propagating mechanism in the closed-economy 1: IS shocks & LM shocks		Make-up: Aug 23rd
5	28	Wed		AD-AS framework of economics fluctuations 3	- Shocks propagating mechanism in the closed-economy 2: AS shocks - Types of shocks and Self-correcting mechanism under the Medium-run adjustment process		**Mock Quiz - Long-run macroeconomy**
6	28	Wed		Theory of Inflation 1	- Long-run behavior of inflation - Cyclical behavior of inflation and Traditional Phillips Relation - Expectation-augmented Phillips relation	*M. Ch 5 & M. Ch 14*	Make-up: Aug 30th

Session	Date		Month	Topics	Details	Materials	Note
7	4	Wed	Sept	Theory of Inflation 2	- Short-run and Long-run Phillips curve - Rational expectation and policy neutrality		
8	6	Fri		Dynamic Model of Economic Fluctuations 1	- What's wrong with the traditional AD-AS framework? - Ingredients of modern dynamic AD-AS framework - modern AD curve (IS + Monetary policy rule) - modern AS curve (Output gap-based Phillips curve)	*M. Ch 15*	Quiz 1 - Core AD/AS (Essay)
9	11	Wed		Dynamic Model of Economic Fluctuations 2	- Model solution, equilibrium and Analysis - Dynamic response to shocks - Policy implications		
10	11	Wed		Exchange Rate model 1	- Basic Concepts of international economy, Forex and Forex market - D&S framework for Exchange rate determination	*F. Ch. 14 – Ch. 15*	Make-up: Sept 13th
11	18	Wed		Exchange Rate model 2	- Applications and impact analysis - Forex market intervention - Domestic implication of FOREX intervention and Financial Sterilization		
12	20	Fri		Open-economy macro-1	- Basic concepts and Model Structure - Balance of Payment equilibrium and BP curve - BP curves under Mundell-Flemming environment and notion of Mundell-Flemming Equilibrium - Disequilibrium adjustment mechanism under Mundell-Flemming environment		Quiz 2 - Inflation (fill in the blank)
13	25	Wed		Open-economy macro-2	- Shocks-propagation mechanism in the open-economy		
14	27	Fri		Open-economy macro-3	- Exchange rate policy: Effect of devaluation or revaluation under fixed exchange rate system - Fiscal and monetary policy under different choices of exchange rate system - Applications: AFC & Impossible Trinity / GFC and QEs (if time permits) - Midterm Exam Q&A		Quiz 3 - Exchange rate (fill in the blank)
	Midterm exam / Oct 2th 2024 (15.00-18.00: 3 hours) - closed book exam						

Session	Date		Month	Topics	Details	Materials	Note
15	9	Wed	Oct	Static GE model 1: One-period HH Optimizing principle	- Micro-founded macroeconomics - Household optimizing theory: Labor supply curve and Consumption demand curve	*W. Ch 4*	
16	11	Fri		Static GE model 2: One-period Optimizing principle	- Firm optimizing theory: Labor demand curve and Output supplied curve		
17	16	Wed		Static GE model 3: Equilibrium representation	- Notion of micro-founded General Equilibrium macroeconomy - Equilibrium representation with D&S diagram ** - Equilibrium representation with Edgeworth Box diagram	*W. Ch 5*	** Check online materials for Equilibrium representation with D&S diagram - Self study
18	16	Wed		Static GE model 4: Analysis and Application	- Shocks in Static GE model and Application		Make-up: Oct. 23st (Public holiday)
19	18	Fri		Consumption-Saving & Credit Market Equilibrium 1	- Basic Intertemporal choice model - Behavioral Implications: Effect of Change in income	*W. Ch 9*	
20	25	Fri		Consumption-Saving & Credit Market Equilibrium 2	- Behavioral Implications: Effect of Change in real interest rate - Government and Notion of Credit market equilibrium		Quiz 4 - Static GE
21	30	Wed		Consumption-Saving & Credit Market Equilibrium 3	- Credit market equilibrium and Application		
22	30	Wed		Real-intertemporal model 1: Two-period HH optimizing principle	- Household optimizing theory: Labor supply curve and Consumption demand curve	*W. Ch 11*	Make-up: Nov 1st
23	6	Wed	Nov	Real-intertemporal model 2: Two-period Firm optimizing principle	- Firm optimizing theory: Labor demand curve and Investment demand curve		
24	8	Fri		Real-intertemporal model 3: Equilibrium	- Optimizing AD-AS curve: derivation - Slop of optimizing AD-AS curve - Equilibrium representation		Quiz 5 - Consumption-Saving GE
25	13	Wed		Real-intertemporal model 4: Analysis	- Shocks and Equilibrium Business cycles fluctuations		

Session	Date		Month	Topics	Details	Materials	Note
26	15	Fri		Real-intertemporal model 5: Analysis	- Shocks and Equilibrium Business cycles fluctuations (contd.)		
27	20	Wed		Growth Theory 1	- Stylized facts & Basic Structure of Solow growth model	*W. Ch 7 / Ch. 8*	
28	22	Fri		Growth Theory 2	- Solution method of Solow Growth model - Steady state and Transition path		Quiz 6 - Real Intertemporal GE
29	27	Wed		Growth Theory 3	- Equilibrium Analysis and Some applications - Changes in Steady State Equilibrium		
30	27	Wed		Growth Theory 4	- Limitations of Solow growth model - Buffer sessions - Final Exam Q&A		Make-up: Nov 29th
	Final exam / Dec 11th, 2024 (09.00-12.00: 3 hours) - closed book exam						

Scheduled for cancelled sessions / Public holiday & make-up schedule

cancelled session / public holiday	make up schedule / Time	
Aug 16st	Wednesday, August 14, 2024	1600- 1800
Aug 23rd	Wednesday, August 21, 2024	1600- 1800
Aug 30th	Wednesday, August 28, 2024	1600- 1800
Sept 13th	Wednesday, September 11, 2024	1600- 1800
Oct. 23st (Public holiday)	Wednesday, October 16, 2024	1600- 1800
Nov 1st	Wednesday, October 30, 2024	1600- 1800
Nov 29th	Wednesday, November 27, 2024	1600- 1800

ACADEMIC CALENDAR & HOLIDAY
SEMESTER 1/2024

Semester 1/2024 (August 13 – December 2, 2024)	
Create Plan from Quota via TU Greats App (*ID.64 – 66)	July 9 – 11, 2024
Registration via TU Greats App (*ID.64 – 66)	July 9 – 11, 2024
Tuition Fee Payment Period (Via TU Greats App) (*ID.64 – 66)	July 9 – August 9, 2024
Classes Begin	August 13, 2024
Add-drop period	August 13 – 26, 2024 *(from 9.00 AM of August 13 to 10.30 PM of August 26)*
Tuition Fee Payment Period (Via TU Greats App) *(All *ID)*	August 13 – 27, 2024 *(9 AM - 10.30 PM)*
Mid-term Examination Period	September 29 – 30, October 1 – 6, 2024
*Substitution for H.M. King Bhumibol Adulyadej The Great Memorial Day**	*October 14, 2024*
*King Chulalongkorn's Day**	*October 23, 2024*
Withdrawal period with "W" on record	August 29 – October 20, 2024 *(from 9.00 AM of August 29 to 10.30 PM of October 20)*
Special Withdrawal with "w" on record	October 21 – November 20, 2024
Last day of class for Semester 1/2024	December 2, 2024
Final exam period	December 3-4, 6-9, 11-19, 2024
*H.M. King Bhumibol Adulyadej The Great's Birthday**	*December 5, 2024*
*Constitution Day**	*December 10, 2024*
Submitting Forms for Degree Conferral	August 13 – 26, 2024

Remark * Holiday, No classes during this period
Updated: June 14, 2024