

### Course Outline

#### EE312 Macroeconomic Theory (Section 046401-2)

Semester 1/2023 (August 15 - December 4, 2023)

**Lecture Time:** Section 046401: Wed. & Fri. 09.00-11.00 hours

Section 046402: Wed. & Fri. 13.00-15.00 hours

**Lecture Venue:** Room 303

**Teaching Materials Platform:**

Google Classroom

<https://classroom.google.com/c/NTIyOTkwNDY1NDIz?cjc=jvvkypk>

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

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

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\*\* Office hours can be scheduled by Appointments via my school email.

**Number of Credit:** 4 Credits (4-0-8)

**Prerequisite:** a) EE211 and EE212 or b) EE213 and EE214

**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; 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.

**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.

## Expected Learning Outcomes

### 1. Morality and Ethics **EE312**

Applicability	Expected Learning Outcomes	Evaluation Method
●	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.	

### 2. Knowledge

Applicability	Expected Learning Outcomes	Evaluation Method
●	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.	

### 3. Intellectual Development

Applicability	Expected Learning Outcomes	Evaluation Method
●	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

#### 4. Interpersonal Skills and Responsibilities

Applicability	Expected Learning Outcomes	Evaluation Method
●	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.	

#### 5. Quantitative Analysis, communication, and information technology

Applicability	Expected Learning Outcomes	Evaluation Method
○	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

#### Main Text:

- 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.)

#### Suggested Readings:

Supplement readings will be posted the classwork section of class's Google Classroom.

#### Assessments:

- |   |            |   |
|---|------------|---|
| • Pre-midterm Quizzes (3 quizzes; drop the lowest one out)  | 5          | % |
| • Post-midterm Quizzes (3 quizzes; drop the lowest one out) | 5          | % |
| • Mid-term exam (with max raw score = 150 points)           | 42         | % |
| • Final exam (with max raw score = 180 points)              | 48         | % |
| Total   | <u>100</u> | % |

Note: 1. All quizzes are scheduled in advance; check all quizzes' date from the below teaching schedule. Each quiz will be administered after the lecture hours. Students will have 25 minutes to complete their quizzes. You are required to sit for your quiz in the session that you register for. That is, if you register for the morning session, you will not be able to take any quizzes during the afternoon

session. I will not give any make-up quizzes; students who miss a quiz will receive ZERO for that missing one.

2. To request for a make-up test (both midterm and final exam), students must file the request to the B.E. office, and follow the protocol set by the faculty of economics. Your make-up test will be reviewed by the office.

### **Grading Criteria:**

I do the grading of each section separately. In general, I use a mixed procedure between criteria-based and distribution-based method when I determine the letter grade. If the pure criteria-based grading is deemed appropriate and can be directly applied, I follow the general guideline of the university described below.

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 that the total score is calculated by the following formula.

$$\begin{aligned} \text{Total score} = & 5 * \left( \frac{\text{best 2 out of 3 pre-midterm quizzes}}{20} \right) + \\ & 5 * \left( \frac{\text{best 2 out of 3 post-midterm quizzes}}{20} \right) + \\ & 42 * \left( \frac{\text{midterm score}}{150} \right) + 48 * \left( \frac{\text{Final score}}{180} \right) \end{aligned}$$

### Tentative Class Schedule:

Date		Month	Topics	Details	Materials	Note
16	Wed	Aug	Class Overview & Intro to Business cycles	- Class logistics - Nature of business cycle fluctuations - Framework for business cycle fluctuations theory	<i>W. Ch. 1 / Ch. 2</i> <i>W. Ch. 3</i> <i>M. Ch. 10</i>	
18	Fri		AD-AS framework of economics fluctuations: Long-run Macroeconomy	- Production technology - Labor market and Equilibrium - Long-run macroeconomic equilibrium and Natural level of macroeconomic variables	<i>F. Ch. 3 - 4</i> <i>M. Ch 3</i>	
			AD-AS framework of economics fluctuations: Aggregate demand theory	- Keynesian Cross framework - IS-LM model - Derivation of AD curve		<b>** Check online materials for IS-LM-AD framework - Self study (review of EE212)</b>
23	Wed		AD-AS framework of economics fluctuations: Aggregate supply theory	- Incorporating institutional feature to Labor market framework - Expectation-augmented AS curve	<i>F. Ch. 5 - 6</i>	
25	Fri		AD-AS framework of economics fluctuations: Equilibrium analysis and Shocks	- Equilibrium representation - Shocks propagating mechanism in the closed-economy 1	<i>M. Ch 14</i>	
30	Wed		AD-AS framework of economics fluctuations: Equilibrium analysis and Shocks	- Shocks propagating mechanism in the closed-economy 2 - Self-Adjustment mechanism & Medium-run adjustment process		
<b>1</b>	<b>Fri</b>	Sept	Inflation dynamics and business cycles	- Some stylized facts - Long-run inflation theory	<i>M. Ch 5</i>	<b>Class to be cancelled.</b> • <b>Make-up class on Wed, Aug 30 between 17.00 – 19.00 (for both sections)</b>
6	Wed		Inflation dynamics and business cycles	- Phillips Relation and Business cycles of inflation - Expectation-augmented Phillips relation	<i>M. Ch 14</i>	<b>Pre-midterm Quiz 1 : Long-Run Macroeconomy</b>
8	Fri		Inflation dynamics and business cycles	- Expectation-augmented Phillips relation (contd.) - Rational expectation and Policy implications		
13	Wed		Exchange Rate model	- Basic Concepts of international economy, Forex and Forex market - D&S framework for Exchange rate determination	<i>F. Ch. 14</i>	<b>Pre-midterm Quiz 2 : AD-AS framework of economics fluctuations</b>
15	Fri		Exchange Rate model	- D&S framework for Exchange rate determination (contd.) - Applications & Policy		

Date		Month	Topics	Details	Materials	Note
20	Wed		Open-economy macro	- Basic concepts and Model Structure	<i>F. Ch 15</i>	
22	Fri		Open-economy macro	- Notion of Open-economy Equilibrium - Adjustment mechanism under Fixed v.s. Flexible Exchange rate regime		
27	Wed		Open-economy macro	- Shocks-propagation mechanism in the open-economy 1		<b>Pre-midterm Quiz 3 : Exchange rate</b>
29	Fri		Open-economy macro	- Shocks-propagation mechanism in the open-economy 2 - Policy Applications - Q&A for Midterm exam		
<b>midterm exam / Oct 4th 2023 (15.00-17.30: 2.30 hours) - closed book exam</b>						
11	Wed	Oct	Static GE model 1: One-period HH Optimizing principle	- Micro-founded macroeconomics - Household optimizing theory: Labor supply curve and Consumption demand curve	<i>W. Ch 4</i>	
13	Fri		Static GE model 2: One-period Optimizing principle	- Firm optimizing theory: Labor demand curve and Output supplied curve		<b>Public Holiday - no class</b> • <b>Make-up class on Wed, Oct 11 between 17.00 – 19.00 (for both sections)</b>
18	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	<i>W. Ch 5</i>	<b>** Check online materials for Equilibrium representation with D&amp;S diagram - Self study</b>
20	Fri		Static GE model 4: Analysis and Application	- Shocks in Static GE model and Application		
25	Wed		Consumption-Saving & Credit market Equilibrium 1	- Basic Intertemporal choice model - Behavioral Implications: Effect of Change in income	<i>W. Ch 9</i>	
27	Fri		Consumption-Saving & Credit market Equilibrium 2	- Behavioral Implications: Effect of Change in real interest rate - Government and Notion of Credit market equilibrium		
1	Wed	Nov	Consumption-Saving & Credit market Equilibrium 3	- Credit market equilibrium and Application		<b>Post-Midterm Quiz 1 : Static GE model</b>
3	Fri		Real-intertemporal model 1: Two-period HH optimizing principle	- Household optimizing theory: Labor supply curve and Consumption demand curve	<i>W. Ch 11</i>	
8	Wed		Real-intertemporal model 2: Two-period Firm optimizing principle	- Firm optimizing theory: Labor demand curve and Investment demand curve		<b>Post-Midterm Quiz 2 : Consumption-Saving &amp; Credit market Equilibrium</b>
10	Fri		Real-intertemporal model 3	- Optimizing AD-AS curve: derivation		

Date		Month	Topics	Details	Materials	Note
				- Slope of optimizing AD-AS curve - Equilibrium representation		
15	Wed		Real-intertemporal model 4	- Shocks and Equilibrium Business cycles fluctuations		
17	Fri		Real-intertemporal model 5	- Shocks and Equilibrium Business cycles fluctuations (contd.)		
22	Wed		Growth Theory 1	- Stylized facts & Basic Structure of Solow growth model		<b>Post-Midterm Quiz 3 : Real-intertemporal model</b>
24	Fri		Growth Theory 2	- Solution method of Solow Growth model - Steady state and Transition path		
<b>29</b>	<b>Wed</b>		Growth Theory 3	- Equilibrium Analysis and Some applications - Changes in Steady State Equilibrium	<i>W. Ch 7 / Ch. 8</i>	<b>Commencement ceremony - no class</b> <b>• Make-up class on Fri, Nov 24 between 17.00 – 19.00 (for both sections)</b>
1	Fri	Dec	Growth Theory 4	- Limitations of Solow Growth model - Q&A for Final exam		
<b>Final exam / Dec 16th 2023 (13.30-16.30: 3 hours) - closed book exam</b>						

**Cancelled and Make-up classes:**

Cancelled sessions	Make-up classes scheduled on date/time
Sept 1 (due to my prior engagement)	Aug, 30 between 17.00 – 19.00 (Wednesday) Room#303
Oct 13 (Public holiday)	Oct, 11 between 17.00 – 19.00 (Wednesday) Room#303
Nov 29 (Commencement ceremony)	Nov, 24 between 17.00 – 19.00 (Friday) Room#303

## ACADEMIC CALENDAR & HOLIDAY SEMESTER 1/2023

Semester 1/2023 (August 15 – December 4, 2023)	
<b><i>the TU Office of the Registrar (TU REG) will process the registration (semester 1/2023) for all BE students who have completed the pre-registration via BE Portal.</i></b>	July 17 – 20, 2023
Tuition Fee Payment Period (Via TU Greats App)	July 21 – August 11, 2023
Create Plan from Quota via TU Greats App (*ID.66)	August 1 - 9, 2023
Registration via TU Greats App (*ID.66)	August 10, 2023
Classes Begin	August 15, 2023
Add-drop period	August 15 – 28, 2023 <i>(from 9.00 AM of August 15 to 10.30 PM of August 28)</i>
Tuition Fee Payment Period (Via TU Greats App)	August 15 – 29, 2023 <i>(9 AM - 10.30 PM)</i>
Mid-term Examination Period	October 1 – 7, 2023
<i>H.M. King Bhumibol Adulyadej The Great Memorial Day*</i>	<i>October 13, 2023</i>
<i>King Chulalongkorn's Day*</i>	<i>October 23, 2023</i>
Withdrawal period with "W" on record	September 4 – October 22, 2023 <i>(from 9.00 AM of September 4 to 10.30 PM of October 22)</i>
Special Withdrawal with "w" on record	October 24 – November 20, 2023
Last day of class for Semester 1/2023	December 4, 2023
Final exam period	December 12 – 23, 2023
<i>H.M. King Bhumibol Adulyadej The Great's Birthday*</i>	<i>December 5, 2023</i>
<i>Constitution Day*</i>	<i>December 10, 2023</i>
<i>Substitution for Constitution Day*</i>	<i>December 11, 2023</i>
Submitting Forms for Degree Conferral	August 15 – 28, 2023

Remark \* Holiday, No classes during this period  
Updated: July 24, 2023