

Course Outline

EE212 Principles of Macroeconomics (Section 046402)

Semester 2/2025 (5 January – 2 May 2026)

Lecture Time: Thursday, 09.00-12.00 hrs.

Lecture Venue: 303

Teaching Materials Platform: MS Team

Instructor: Dr. Nitinant Wisaweesuan

Office Hours: by appointment

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Number of Credits: 3 Credits (3-0-6)

Prerequisite: -

Course Description:

Indicators, goals, and problems in Macroeconomics. Determination of national income, theories of aggregate consumption and aggregate investment, the accelerator principle, money markets, the theory of supply and demand for money, the joint equilibrium model of product and money markets (IS-LM model), the balance of payments, and fiscal and monetary policies as means to stabilize an economy. Collecting and managing Thai macroeconomic for analyzing economic conditions are introduced.

Course Objectives:

Students can comprehend the principles of macroeconomic theories and apply those theories to analyse the causes and effects of the movement of various macroeconomic variables in Thailand and some other countries' economies.

Programme Learning Outcomes (PLOs):

PLOs	K1	K2	K3	K4	S1	S2	S3	E1	E2	E3	E4	C1	C2	C3	C4	C5
EE212																

Learning Management and Evaluation

CLO	Description	Learning Management	Evaluation
1: (K1 + E3 + C1)	Understand the fundamental macroeconomic theories and tools	- Lecture on macroeconomic theory - Incorporate moral value instruction in lectures and class discussions	- Midterm exam - Quizzes - Observation of behaviour in compliance with the university regulations
2: (K2 + S1 + S2)	Apply relevant theoretical frameworks to address the given economic issues and evaluate the effectiveness of policies	- Lecture on macroeconomic theory - Class discussion	- Final examination - Quizzes - Observation of behaviour in compliance with the university regulations
3: (K4 +E1 + C4)	Apply theoretical frameworks to analyse contemporary macroeconomic issues, fostering students' motivation to engage with global challenges and pursue further academic development.	- Self-study & supervision - Activities to encourage class discussion and knowledge sharing	- Class participation - Assignments - Quizzes

Learning Assessment Plan

CLO	Methods of Learning Assessment	Assessment Week	Proportion of Assessment
1	Midterm exam	8	35%
2	Final exam	15	45%
3	Class participation with Q&A	1-15	5%
	Assignments	3, 6, 10, 14	5%
	Quizzes	5, 11	10%

Main Text:

Case, Karl E., Ray C. Fair and Sharon M. Oster (2020), ***Principles of Macroeconomics*** (13th ed.): Pearson International Edition.

Froyen, Richard T. (2009), ***Macroeconomics, Theories and Policies*** (9th ed.): Prentice Hall.

Lipsey, R.G., Ragan, C.T.S. and Storer, P.A. (2008), ***Economics*** (13th ed.): Pearson Addison-Wesley

Mankiw, N.G., ***Principles of Macroeconomics*** (2009): South-Western Cengage Learning

Suggested Readings: To be announced

Evaluation:

Class participation	5%
Assignments	5%
Quizzes	10%
Midterm exam (Tuesday, 24 February 2026, 12.00-14.00 hrs.) (Please note that no lectures will be given during the Mid-term week of 22 – 28 February 2026)	35%
Final exam (Thursday, 7 May 2026, 13.30-16.30 hrs.)	45%

Grading Criteria: Depends on the distribution of scores

Tentative Class Schedule:

- 1. Introduction to Macroeconomics (3 hours)** 8 Jan
 - 1.1 Introduction to Economics
 - 1.2 Macroeconomic objectives and macroeconomic policy
 - 1.3 Types of macroeconomics variables
 - 1.3.1 Stock vs flow variables
 - 1.3.2 Real vs nominal variables
 - 1.4 Key Macroeconomic variables
 - 1.4.1 Output/Input
 - 1.4.2 Employment/Unemployment
 - 1.4.3 Price level/Inflation
 - 1.4.4 Interest rate
 - 1.4.5 Exchange rate
 - 1.4.6 Inequality
 - 1.5 A brief history of macroeconomics

Read: Case, Fair & Oster, Ch. 5, 7; LRS, Ch. 1, 2, 19, 31; Mankiw Ch. 1, 2, 23
- 2. National Income and National Product (6 hours)** 15, 22 Jan
 - 2.1 The component of the macroeconomy
 - 2.2 Circular flow diagram
 - 2.3 National income and product account
 - 2.4 GDP vs GNP
 - 2.5 Measurement of GDP
 - 2.5.1 Product approach
 - 2.5.2 Expenditure approach
 - 2.5.3 Income approach
 - 2.6 Nominal GDP vs. Real GDP and GDP deflator
 - 2.7 Limitation of GDP concept

Read Case, Fair & Oster, Ch. 6; LRS, ch.20, Mankiw Ch. 10, 11
- 3. National Income and Equilibrium Determination (9 hours)** 29 Jan, 5, 12 Feb
 - 3.1 Introduction
 - 3.2 Composition of desired aggregate expenditure (DAE)
 - 3.2.1 Desired aggregate consumption expenditure
 - 3.2.2 Desired aggregate investment expenditure
 - 3.2.3 Desired aggregate government expenditure
 - 3.2.4 Desired aggregate net exports
 - 3.3 Equilibrium national income
 - 3.3.1 Definition
 - 3.3.2 Determination of the equilibrium national income
 - 3.3.2.1 $Y = DAE$ approach
 - 3.3.2.2 Leakage = Injection approach
 - 3.3.3 Changes in equilibrium national income and adjustment to new equilibrium

- 3.4 Paradox of Thrift
- 3.5 Inflationary and deflationary gap
- 3.6 Keynesian, Classical and Non-Keynes non-classical concept

Read: Case, Fair & Oster, Ch. 8; LCR, ch.21, 22

4. Fiscal Policy at Work (3 hours)

19 Feb

- 4.1 Meaning of fiscal policy
- 4.2 Objectives of fiscal policy
- 4.3 Fiscal policy tools
 - 4.3.1 Government expenditure
 - 4.3.2 Government transfer payment
 - 4.3.3 Government revenue
 - 4.3.4 Public debt
- 4.4 Types of government policy

Read: Case, Fair & Oster, Ch. 9; LCR, Ch. 32, Froyen Ch. 18, Mankiw Ch. 21

5. The Money Market and Monetary Policy (3 hours)

5 Mar

- 5.1 Money creation and money multiplier
- 5.2 Money and money market
- 5.3 Money supply and Central bank roles
 - 5.3.1 Money supply
 - 5.3.2 Central bank roles
- 5.4 Demand for money
- 5.5 Equilibrium in money market
- 5.6 Changes in equilibrium money market

Read: Case, Fair & Oster, Ch. 10; LRS, Ch. 27, 28, 29, Froyen Ch. 16, Mankiw Ch. 16

6. The IS-LM Model (6 hours)

12, 19 Mar

- 6.1 Product market and IS curve
 - 6.1.1 Investment, interest rate and product market equilibrium
 - 6.1.2 The derivation of IS curve
 - 6.1.3 Factors determining slope of IS curve
 - 6.1.4 Shifts in IS curve
- 6.2 Money market and LM curve
 - 6.2.1 The derivation of LM curve
 - 6.2.2 Factors determining slope of LM curve
 - 6.2.3 Shifts of LM curve
- 6.3 IS-LM in terms of equation
- 6.4 The IS-LM combined
- 6.5 Changes in equilibrium of product and money market

Read Froyen, Ch. 7

7. Policy Effectiveness (6 hours)

26 Mar, 2 Apr

- 7.1 Fiscal policy effectiveness
 - 7.1.1 Fiscal policy effectiveness and slope of IS curve
 - 7.1.2 Fiscal policy effectiveness and slope of LM curve
- 7.2 Monetary policy effectiveness
 - 7.2.1 Monetary policy effectiveness and slope of IS curve
 - 7.2.2 Monetary policy effectiveness and slope of LM curve

Read Froyen, Ch. 7

8. The Ad-AS Model and inflation (6 hours)

9, 23 Apr

- 8.1 Aggregate Demand (AD)
 - 8.1.1 The derivation of the AD curve from the IS-LM model
 - 8.1.2 Move along the AD curve
 - 8.1.3 The shift of AD curve
- 8.2 Aggregate Supply (AS)
 - 8.2.1 Short-run AS
 - 8.2.2 Long-run AS
 - 8.2.3 Move along AS and shift of AS
- 8.3 Equilibrium and changes in equilibrium
 - 8.3.1 Equilibrium in the AD-AS model
 - 8.3.2 Changes in equilibrium in the AD-AS model
- 8.4 The analysis of fiscal policy and monetary policy using the AD-AS model
- 8.5 Inflation
 - 8.5.1 Definition
 - 8.5.2 Causes of inflation
 - 8.5.2.1 Demand-pull inflation
 - 8.5.2.2 Cost-push inflation
 - 8.5.3 Phillips Curve

Read: Case, Fair & Oster, Ch. 12, 13; Froyen, Ch. 8, Ch. 10; LRS, Ch. 23, 24, 25, 30; Mankiw Ch. 20, 21, 22

9. International Economics (3 hours)

30 Apr

- 9.1 Introduction to international trade
- 9.2 The Balance of Payment
- 9.3 Relationship between difference in saving and investment and current account
- 9.4 The market for foreign exchanges
 - 9.4.1 Meaning and importance of foreign exchange rate
 - 9.4.2 Demand for foreign exchanges
 - 9.4.3 Supply of foreign exchanges
 - 9.4.4 Exchange rate system

Read: Case, Fair & Oster, Ch. 19; LRS, Ch. 34, 35, Froyen Ch. 14, Mankiw Ch. 18