**VIETNAM NATIONAL UNIVERSITY, HANOI**
**UNIVERSITY OF ECONOMICS AND BUSINESS**

# SYLLABUS
## Macroeconomic II (INE2102-E)

*(Issued with the decision no. 1722 /QĐ-ĐTĐH dated on 11.9.2010*

## I – INSTRUCTOR INFORMATION:

| | | |
|---|---|---|
| Full name: | Vu Pham Hai Dang, Ph.D. | Nguyen Thi Thu Hang, Ph.D. |
| Office: | R309 – E4 COE-VNU campus | R309 – E4 COE-VNU campus |
| Office hours: | by appointment | by appointment |
| Contact address: | R309 – E4 VNU campus | R309 – E4 VNU campus |
| Cell phone | 0906167001 | 0904192004 |
| Email: | dangvph@vnu.edu.vn | ntthuhang@vnu.edu.vn |

## II – COURSE DESCRIPTIONS:

**2.1 Prerequisite courses**: Macroeconomics I

**2.2 Number of credits**: 4

**2.3 Credit hours**: 60 credit hours

**2.4 Course descriptions:**

This course provides a more in-depth coverage of macroeconomics. Theories of economy in the short run (i.e. business cycle theory) and in the long run (i.e. classical theory) are developed further and extended to cover both closed and open economy. Moreover, the theory of growth – the economy in the very long run – is also examined. In this course, we will study how to analyze the economy under different situations using various macroeconomic model such as IS-LM and AD-AS model for the closed economy and Mundell-Fleming model for the open economy in the short run, Solow and endogenous growth models for the very long run. Students are assumed to have a basic grasp of macroeconomics from a principle course and adequate calculus ability.

Language of instruction and testing : English

Test forms : written test

Learning activities : the course will be conducted in an interactive manner that requires students' frequent feedbacks. Learning activities will include lectures, in-class discussion, case study preparation and presentation, homework and tests.

## 2.5 Course objectives:

Our objective in this Macroeconomics II course is to cover macroeconomic theory at the intermediate level. This course's aim is to ensure that all students can take standard macroeconomic problems and correctly analyze them. This course builds basic macroeconomic tools, e.g., macroeconomic model, from fundamental concepts. The primary goal is to teach you how to apply economic reasoning in a careful, systematic way, to economic issues you will confront in subsequent university courses and in your post-university careers. The course is also important to any student who plans to go on to study economics at the graduate level. It is best seen as a course that provides the foundations of economic analysis and thereby opens the door to other economics courses, both applied and theoretical.

Instructor(s) will use the 4 scales (1: to be able to recall; 2: to be able to understand and apply; 3: to be able to reason; and 4: to be able to create) – in equal with the 6 scales of Bloom's taxonomy – given in the Appendix to assess the level of proficiency of the students regarding to their achievement of the expected learning outcomes thorough the course. Students can also use these 4 scales to assess themselves the level of proficiency of the expected learning outcomes.

### 2.5.1 Economic knowledge and reasoning:

Students are expected to be able to acquire the knowledge of macroeconomics up to the level of proficiency 3 (to be able to reason):
- o understand the concepts and measurement of GDP, unemployment, and inflation at intermediate level.
- o understand the classical model and use it to analyze and evaluate how policies affect the economy in the long run.
- o understand the growth theory and use it to identify, analyze and evaluate optimal policies for economic growth in the long run.
- o understand the forces behind economic fluctuations, use the IS-LM and AD-AS frameworks to analyze and evaluate the consequences of shocks and government's policies for both closed and open economies.
- o understand advantages and disadvantages of different economic stabilization policies

### 2.5.2 Personal and professional skills and attributes:

Through the course the following students' personal skills are developed and enhanced between the levels of proficiency 2 (to be able to understand and apply) and 4 (to be able to create):
- o reasoning and solving economic issues: this includes identifying, formulating and generalizing economic issues, analyzing the issues/problems both qualitatively and quantitatively with uncertainty, solving the issues by recommending and giving solutions.
- o researching the knowledge and practice through making hypothesis, reviewing both print and electronic literature, and searching, collecting, analyzing and handling/processing the information/data, testing hypothesis, doing research and applying it to the reality.

o thinking systematically (e.g. thinking holistically, finding economic problems/issues and their interactions, identifying priority, finding balanced solutions, analyzing from different aspects).

Students foster and develop *personal attributes* (e.g. patient, flexible, self-confident, diligent/hard working, creative thinking, critical thinking, and self-esteem) and *skills* (e.g. awareness of one's personal knowledge, skills, and attitudes; time and resource management; learning and self-learning; and self-management). Students are required to acquire a fluent use of Microsoft Word (in submitting homework and projects) and Microsoft PowerPoint (in the form of case study and project presentation).

Students foster and develop *professional skills and attributes* (e.g. ask organization and arrangement; awareness & catch up with modern world's economy; ability to work independently; and self-confidence in international working environment).

### 2.5.3 Interpersonal skills and attributes:

In using the teaching and learning methods such as in-class discussions, case study preparation and presentation, homework, and essays, students are required to develop and enhance their interpersonal skills and attributes among the levels of proficiency 2 (to be able to understand and apply) and 3 (to be able to analyze and evaluate): teamwork (forming effective teams, team operation, team growth and evolution, leadership, ability to work with different teams), communications (spoken, written and electronic/multimedia communications, presentation), and communication in English (listening, speaking, reading and writing).

### 2.5.4 Ability to apply economic knowledge into practice:

Through lecture, case studies and homework, students are able to formulate economic ideas and evaluate economic consequences between the levels of proficiency 2 (to be able to understand and apply) and 3 (to be able to analyze and evaluate) within the contemporary societal and external context.


## III – TEXBOOKS AND REFERENCES:

### 3.1 Required textbook(s):

o Mankiw, Gregory, *Macroeconomics*, 5th edition, Worth Publishers, 2002

o Blanchard, Olivier, *Macroeconomics*, Pearson Prentice Hall, 2005

o Jones, Charles, *Macroeconomics*, W. W. Norton & Company, 2008

### 3.2 References:

o Rudiger Dornbusch, Stanley Fischer, Richard Startz, *Macroeconomics*, 8th edition, Irwin/McGraw-Hill, 2000

o Current economic and business periodicals and journals.


## IV – ASSESSMENT AND GRADING:

Assessment is made in the forms of attendance, in-class contribution and discussions, Q&As, case preparation and presentation, homework, midterm and final exam.


### 4.1 Grading mechanism:

o *Class attendance and participation* (5%): Attendance at all sessions is required except in previously arranged cases/emergencies. Not attending the class up to 5

times would result in failing to meet the requirement to participate in the final exam and consequently failing the subject.

All students are expected to participate actively in class discussion. This includes evidence of thorough prior preparation of course materials, engaging in exercises, Q&As, discussion etc.

o *Homework assignments* (10%): There will be 8 homework assignments during the semester. See Course Calendar below for their timing and due dates. Homework is assigned in class or via email and due in class as specified in the Calendar. You are encouraged to discuss possible solutions to the homework with your classmates but you must submit your own answer. Each homework assignment must be hand written with your full name, student number, homework assignment number, and due date.

*Late homework is not accepted without prior permission from me and receive zero grade.*

o *Group case presentation* (5%): In groups of 2-5 decided by the instructor(s) for each class, students will present their opinions for one of the cases in the text, as assigned. Presentations should be 15 minutes maximum. The template of group's presentation is given by the instructor(s) (might include analysis and recommendations). The criteria for assessing the group case presentation are (but not limited to):

   ✓ The ideas/arguments/answers are relevant, appropriate and in full with the requirements of the case. Reference is required where appropriate (50%).
   ✓ Good communications (e.g. speaking) for the ideas/arguments/answers (20%).
   ✓ Good teamwork (10%)
   ✓ Good time management (10%).
   ✓ Neatly and nice/attractive form of presentation (10%).

Failure to deliver presentation as assigned would result in no grade for the assigned group case presentation.

o *Midterm Exam* (30%) There will be one midterm exam to be taken in class during 8th week of the semester. *No make-up midterm are available unless under very special circumstances.* Midterm will be one hour and a half, in class, in written form, closed book and comprise both multiple-choice questions and short-answer and problem solving questions. Midterm will only cover the topics discussed in class. For example, there will be no exam questions on topics that are in the text books or other materials but not covered in class.

o *Final exam* (50%): As with the midterm, the final will be one hour and a half, in class, in written form, closed book and comprise both multiple-choice questions and short-answer and problem solving questions. Final exam will be covering the topics discussed in class. For example, there will be no exam questions on topics that are in the text books or other materials but not covered in class. The date is fixed by the Department of Training –UEB and informed to students in due course. *Make-up exam will follow UEB's policies.*

o *Criteria for grading short-answer questions in homework assignments, midterm and finals*

   ▪ The ideas/arguments/answers are correct, relevant, appropriate and in full with the requirements of the questions. (70%).

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- Good structure of the answer – e.g. supporting arguments/evidence/examples are given (20%).
- Good communications (e.g. writing) for the ideas/arguments/answers (10%).

### 4.2 Policy:

- Students are required to complete and submit all the tasks given by the course instructor(s)/lecturer(s) in time.

- The class will be conducted as an interactive exchange. Students will take an active role in leading discussion of cases, presenting cases, and providing critical commentary. Each class will involve discussions and dialogue as major elements in the learning strategy, although lecture will be utilized to provide grounding for subject content. Individual participants will be responsible for completing reading assignments and participating in discussion of those readings.

- The Code of Academic Integrity of the University addresses cheating, fabrication of submitted work, plagiarism, handing in work completed for another course without the instructor's approval, and other forms of dishonesty. For the first offense, a student who violates the Code of the University will receive 0 points for the assignment. The violation will be reported by the instructor(s) to the Dean's Office and recorded in the student's file. For the second offense, the student will be failed from the course and the reason noted on the student's official transcript.

- Because it is distracting to other students and to me, I ask that you *do not carry on private conversations* and keep your *cells off* during class time. Making a habit of this will reduce your participation grade. Please be seated before lecture begins, and don't leave early without prior permission since it is very distracting to me and your classmates. Arriving late or leaving early without a valid excuse will count as *half* of an absence.

- The text should be used to help you understand the lectures. Therefore, before class, please prepare by *reading ahead in the text*. If you have already seen the material, the lectures will be easier to follow. After class, *reread the text*. Sometimes the text will explain a concept better than I did in class.

- Internet/Email Requirements: Students are expected to *regularly check their email account*. Homework assignments, lecture notes, important information or instructions may be emailed to these accounts.

## V – HINTS FOR SUCCESS:

Study! Do your homework! Don't miss an exam! Read the assigned chapter before coming to the class and before doing the homework. Don't cram all the studying in the night before the exam, or you will be too tired to think and process all the information. Don't work too much. Get tutoring if you are struggling, or ask the instructor for help and advice. Finally, studying in groups is highly recommended, as long as each member of the group pulls his or her own weight, and you each remain responsible for learning the material. It is OK to discuss homework with your classmates, but copying somebody else's answers is cheating!

Experiences have shown that to achieve good results for each weekly session, students need an average of 5-8 hours/week of self-study to prepare, review and complete homework assignments.

## V – TEACHING PLAN:

| Week | Teaching Methods | Lecture topics | Reading/ Assignments | Note |
|---|---|---|---|---|
| Week 1 | Course Intro., Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 1: Macroeconomic Indicators*: (4c.h.)<br>- Nominal and Real GDP<br>- GDP deflator<br>- CPI and GDP deflator<br>- Unemployment | *Before class:*<br>Read : Mankiw (C2-3), Blanchard (C2), Jones (C2)<br>*In class:*<br>Participate in discussions and solve practice exercises | Homework 1 out |
| Week 2 | Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 2: Classical theory: the closed economy in the long run* (4c.h.)<br>- Production function<br>- Markets for factors of production: labor and capital<br>- Market for goods and services | *Before class:*<br>Read: Mankiw (C3), Jones (C4)<br>*In class:*<br>Participate in discussions and solve practice exercises | Homework 1 due<br>Homework 2 out |
| Week 3 | Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 3: Classical theory: the open economy in the long run* (4c.h.)<br>- International flows of capital and goods<br>- Saving and investment in the small open economy<br>- Exchange rates<br>- The large open economy | *Before class:*<br>Read: Mankiw (C5), Blanchard (C18)<br>*In class:*<br>Participate in discussions and solve practice exercises | Homework 2 due<br>Homework 3 out |
| Week 4 | Lecture, Q&A, Cases, Practice exercises (3 hours) Discussion (1 hour) | *Topic 4: Money and Inflation* (3c.h.)<br>*Discussion*: (1c.h.)<br>- Homework 1-3 answer<br>- Topic 1-3 | *Before class:*<br>Read: Mankiw (C4)<br>*In class:*<br>Participate in discussions and solve practice exercises | Homework 3 due |
| Week 5 | Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 5: Growth theory: Solow model* (4c.h.)<br>- Production function<br>- Steady states<br>- Golden rule<br>- Population growth<br>- Technological progress | *Before class:*<br>Read: Mankiw (C7), Blanchard (C11), Jones (C5)<br>*In class:*<br>Participate in discussions and solve practice exercises | Homework 4 out |

| Week | | | | |
|------|---|---|---|---|
| Week 6 | Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 6: Growth theory: Endogenous growth* (4c.h.)<br>- The AK model<br>- A two-sector model | *Before class:*<br>Read: Mankiw (C7-8), Blanchard (C11-12), Mankiw (C4)<br>*In class:*<br>Participate in discussions and solve practice exercises | Homework 4 due<br>Homework 5 out |
| Week 7 | Discussion (1 hour)<br>Review, Q&A, Practice exercises (3 hours) | *Discussions* : (1c.h.)<br>- Homework 2-3 answer<br>*Review for Midterm* (3c.h.)<br>- Review Topic 1-6 | Read class materials from week 1 to week 6<br>*In class:*<br>Participate discussion and solve practice exercises | Homework 5 due |
| Week 8 | Test (2 hours)<br>Lecture, Q&A, Cases, Practice exercises (2 hours) | *Midterm* : (2c.h.)<br>*Topic 7: Economy in the short run: IS-LM model* (2c.h.)<br>- Equilibrium in the market for goods and services: the IS curve | *Before class:*<br>Review class materials from week 1 to week 7<br>Read: Mankiw (C.10), Blanchard (C3&5), Jones (C10)<br>*In class:*<br>- Participate in discussions and solve practice exercises<br>- During exam: keep calm, do your best! | **Midterm exam** |
| Week 9 | Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 7: Economy in the short run: IS-LM model* (cont.) (3c.h.)<br>- Equilibrium in the Money market: the LM curve<br>- Equilibrium of the IS-LM model<br>- Fluctuations<br>*Midterm answer* (1c.h.) | *Before class:*<br>Read: Mankiw (C10), Blanchard (C4&5)<br>*In class:*<br>Participate in discussions and solve practice exercises | Homework 6 out |
| Week 10 | Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 8: Economy in the short run: AD-AS model* (4c.h.)<br>- AD curve<br>- AS curve: Short run vs. long run<br>- AD-AS model: from the short run to the long run<br>- Inflation and unemployment: the Phillips curve | *Before class:*<br>Read: Mankiw (C11&13), Blanchard (C7)<br>*In class:*<br>Participate in discussions and solve practice exercises | Homework 6 due<br>Homework 7 out |

| Week 11 | Discussion (1 hour) Presentation (3 hours) | *Discussion*: (1c.h.) <br> - Homework 6-7 answer <br> - Topic 7-8 <br> *Presentation* (3c.h.) | *Before class:* Prepare for group presentation <br> *In class:* Participate in discussions and solve practice exercises <br> Present | Homework 7 due |
|---|---|---|---|---|
| Week 12 | Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 9: Small open economy in the short run: the Mundell-Fleming model* (4c.h.) <br> - Equilibrium in the market for goods and services: the IS* curve <br> - Equilibrium in the money market: the LM* curve <br> - Equilibrium under floating exchange rates <br> - Equilibrium under fixed exchange rates | *Before class:* Read: Mankiw (C12), Blanchard (C19) <br> *In class:* Participate in discussions and solve practice exercises | Homework 8 out |
| Week 13 | Lecture, Q&A, Cases, Practice exercises (4 hours) | *Topic 9: Small open economy in the short run: the Mundell-Fleming model* (cont.)(2c.h.) <br> - AD-AS for small open economy <br> *Topic 10: Large open economy in the short run* (2c.h.) | *Before class:* Read: Mankiw (C12, including the appendix) Blanchard (C19-21) <br> *In class:* Participate in discussions and solve practice exercises | |
| Week 14 | Lecture, Q&A, Cases, Practice exercises (3 hours) Discussion (1 hour) | *Topic 11: Discussions about macroeconomic policies and government budget* (3c.h.) <br> *Discussions:* (1c.h.) <br> - Homework 8 answer <br> - Topic 9-10 | *Before class:* Read: Mankiw (C14-15) <br> *In class:* Participate in discussions and solve practice exercises | Homework 8 due |
| Week 15 | Review, Q&A, Practice exercises (4 hours) | *Review for Final* (4c.h.) <br> - Class contents from week 8 to week 15 <br> - Practice exercises | *Before class:* Review the course contents <br> *In class:* Participate in discussions and solve practice exercises | |

*Remarks:*

- o Further essential materials (if any) will be provided during each class.
- o Venue for lectures and presentation/discussions: classroom and other venues
- o Please make sure you are aware of all applicable school policies by UEB.
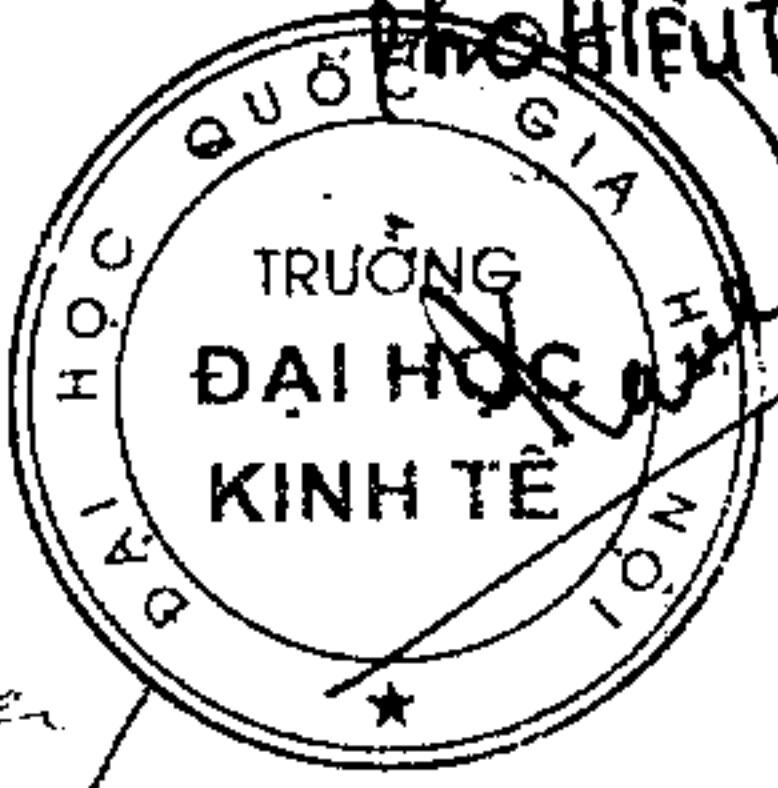
- o Please note that this is only the tentative course calendar and will be subject to change.

<table>
<tr><td>Prepared by</td><td colspan="2">For Faculty of Development Economics</td><td>Approved by</td></tr>
<tr><td></td><td>Department of Economics</td><td>Dean of Faculty</td><td></td></tr>
</table>

Vũ Phạm Hải Đăng

Vũ Quốc Huy

PHÓ HIỆU TRƯỞNG

TS. Nguyễn Ngọc Thanh

# Appendix: Evaluation scales

Instructor(s) will use the 4 scales (1: to be able to recall; 2: to be able to understand and apply; 3: to be able to reason; and 4: to be able to create) – in equal with the 6 scales of Bloom's taxonomy – given in the below Table to assess the level of proficiency of the students regarding to their achievement of the expected learning outcomes thorough the course. Students can also use these 4 scales to assess themselves the level of proficiency of the expected learning outcomes stated below.

| Students' Level of proficiency | Bloom's Taxonomy | Key verbs to recognize the ability of students after the course (level of proficiency) |
|---|---|---|
| Level 1 (To be able to recall) | Level 1: (Remembering) | Memorizing; naming; recognizing; gathering data; observing; showing; recording; locating; identifying; recalling; telling; uncovering; listing; repeating; defining; explaining; investigating; pointing to; retrieving prior knowledge |
| Level 2 (To be able to understand and apply) | Level 2 & 3: (Understanding and applying) | *Understanding*: classifying; demonstrating; grouping; illustrating / exemplifying; rearranging; reordering; summarizing; inferring; relating; experimenting

*Applying*: modeling; diagramming; performing; reporting; ordering; operating; executing / carrying out; using / implementing acquired data in new situations |
| Level 3: (To be able to reason) | Level 4 & 5: (Analyzing and evaluating) | *Analyzing*: comparing; attributing; discussing; contrasting; organizing; investigating; taking a part; deconstructing; focusing / selecting; solving; differentiating relevancy

*Evaluating*: interpreting; critiquing; valuing; justifying; proving; deciding; monitoring; judging; rating; assessing; appraising |
| Level 4: (To be able to create) | Level 6: (Creating) | Imagining / generating / hypothesizing; designing / planning; inventing / producing / constructing; adapting / changing; improving / predicting; extending; developing; building; compiling |