

Korea Advanced Institute of Science and Technology
Graduate School of Finance and Accounting

**Financial Environment and Macro-economy
(FMB557)**

First Half, Fall 2015

Instructor: Sungmin Kim

Textbook: Charles I. Jones, *Macroeconomics*, Third Edition

Course description:

Finance and Macro-economy has become more closely related each other. It is almost impossible to understand behaviors of financial markets without understanding of macroeconomic development. The primary goal of this course is to develop the abilities of students to apply fundamental macroeconomics principle and analytical tools to understand various macroeconomic phenomena. Making use of theory and basic economic reasoning, the course will cover major macroeconomic issues including: the determination of income and output, inflation, unemployment, and long term economic growth; central banking, the money supply, and the banking system; fiscal spending, taxation and deficits; and open economy issues of international trade, exchange rates, and the balance of payments. The course will include discussions on the aspects of the current global financial crisis as they pertain to the subjects covered in the week. The class schedule below is a guideline rather than a fixed one. The best way to come to classes prepared is to read the relevant textbook chapters beforehand.

Requirements and grading:

There will be a final exam. In addition, there will be group presentations to facilitate class discussions. Finally, students are required to read a book related to macroeconomic analysis, which will be assigned at the beginning of the course and submit a written report based on the book.

Assuming your course work, **your final grade** will be based **60% on your final examination, 20% on your written report on an assigned book and 20% on your class participation.**

Preliminary course outline:

Week 1: Introduction and Overview

Week 2: Macroeconomic Data

Week 3: Production, Output and Economic Growth

Week 4: Employment and Labor Market

Week 5: Money and Inflation

Week 6: Business Cycle and Short-Run Model

Week 7: Stabilization and Aggregate Supply/Aggregate Demand Framework

Week 8: Final Exam (week 8)