Seminar in International Commerce:
Macroeconomics and Monetary Policy in the Global Economy

Spring 2026

As of January 12, 2026 (Tentative and subject to change)

Instructor: Professor Yoonsoo Lee
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Class hours: Wednesday 14:00 ~16:50
Office Hours: By appointment

Course Description
This course explores the dynamics of the global economy with a primary focus on U.S. monetary policy. Given the U.S. dollar's dominance and the Federal Reserve's central role in the global financial cycle, understanding the U.S. economy is a prerequisite for analyzing global markets.

The organization of topics consists of three main parts:

1. **The Long Run:** We begin with the Solow model to study the determinants of long-run growth—capital accumulation and technological progress—to understand the concept of "Potential GDP."

2. **The Short Run:** The core of the course focuses on models designed to explain economic fluctuations when prices are not perfectly flexible (sticky). We will utilize the IS-MP framework and the Phillips Curve to analyze the determinants of aggregate demand and supply.

3. **Policy & Application:** We conclude with selected topics crucial for policy analysis, including the determinants of the real interest rate, the debate on policy rules (e.g., Taylor Rule) vs. discretion, and the responses of central banks to recent financial crises.

Throughout the course, special emphasis will be placed on interpreting **FOMC statements** and press conferences to understand how theoretical models explain real-world Fed decisions.

Prerequisite
Introductory Microeconomics and Macroeconomics
Basic Statistics

Textbook and References
Required Textbook:
- Jones, Charles I. *Macroeconomics*. 5th Edition. W. W. Norton & Company.

References:
- Selected FOMC Statements, Minutes, and Press Conference Transcripts.
- Additional readings and data sets (to be distributed in class or via the course website).

Policy on the Use of Generative AI
- **Exams:** Closed book exam. The use of generative AI tools (e.g., ChatGPT, Claude) is **strictly prohibited** during exams. Any violation will be considered academic dishonesty.
- **Assignments:** You are permitted to use AI tools for brainstorming or refining your ideas. However, you must **explicitly cite** the AI tool used and clarify which parts of the work were generated by AI. Failure to disclose AI usage will be penalized.

Grading Policy
- **Class Attendance and Participation (20%):** Active participation in class discussions is strongly encouraged.
- **Assignments (30%):** Homework assignments including data analysis and FOMC statement summaries.
  - *Note: Use of AI tools is permitted for assignments with proper citation, but strictly prohibited for exams.*
- **Exams (50%):**
  - Midterm Exam (25%)
  - Final Exam (25%)

Tentative Schedule
Week 1: Introduction & Macroeconomic Data
Week 2: The Long Run: Potential GDP & Solow Model
Week 3: The Goods Market and the IS Curve
Week 4: Monetary Policy and the MP Curve
Week 5: The Phillips Curve and Inflation
Week 6: General Equilibrium: The IS-MP-PC Model
Week 7: Midterm Exam
Week 8: The Federal Reserve System: Structure & Balance Sheet
Week 9: Deciphering the FOMC & Communications
Week 10: Policy Rules vs. Discretion (Taylor Rule)
Week 11: Financial Crisis & Unconventional Monetary Policy
Week 12: Post-COVID Inflation & Policy Response
Week 13: Open Economy Macroeconomics (Exchange Rates)
Week 14: Global Spillovers of U.S. Monetary Policy
Week 15: Final Exam