

Macroeconomics

Basic Information

Title: Macroeconomics

Code: ECN102

Credit Hours: 3 C.H.

Prerequisite(s): ECN101

Classification: Compulsory Faculty Core

Course Description

Macroeconomics is a basic core course for business students. It provides students with basic knowledge and skills of economic analysis at macro (national) level. The course is mainly concerned with knowledge and skills required in order to conduct analyses of the economic environment surrounding businesses and those required for undertaking economic analyses of government and public institutions (banks, ministries, financial markets, central bank ...etc). Therefore, the course is concerned with national income in terms of income account, income creation and spending, income determination and income fluctuations. This course also provides skills and knowledge required for further business courses such as international trade, international relations, business environment and culture, business strategy and financial analysis and reporting. The course is an undergraduate course that provide basic skills, knowledge and tools/instruments of economic analysis at the macro (national) level.

Learning Objectives

- To provide students with necessary tools and instruments to understand theoretical and practical issues related to the economic external environment surrounding a business.
- To provide students with necessary tools and instruments to develop personal intellectual development in independent learning, problem solving teamwork, group interaction, the communication and appraisal of economic information at the macro level.
- To enhance student capability to acquire core concepts of output and income including income and output accounts and basic concepts in macroeconomics.

- To develop student's knowledge and skills to understand and use models of macroeconomics that provide an explanation of income determination and analyze major macroeconomics issues such as: output and income, employment, growth, business cycles, money, inflation, economic policy, and exchange rates).

Learning Outcomes

Upon completing, students should be able to do the following:

- Define and measure major macroeconomic variables and describe their behavior over time.
- Use models of aggregate economic activity to characterize changes in aggregate prices and output.
- Evaluate the degree to which the various aggregate models fit the observed facts.
- Distinguish between conventional models and real business cycle models.
- Explain how government policies could be used in an effort to stabilize aggregate prices and output, and the limitations of these efforts.
- Describe how monetary policy is transmitted through credit markets to affect aggregate prices and output.
- Explain the effects of government debt on investment, capital formation, growth and the wealth of future generations.
- Identify the causes and cures for inflation and the effects of anti-inflation policies.
- Account for the sources of economic growth and differentiate between exogenous and endogenous theories of economic growth.

Course Outline

Module	Topic
Chapter 1: Introduction To Macroeconomics	1-1: Introduction 1-2: Macroeconomic Statistics 1-3: Measuring the Value of Economic Activity 1-4: The Consumer Price Index

Module	Topic
	1-5: The Unemployment Rate
Chapter 2:Consumption	2-1: Introduction to chapter 2 2-2: Consumption Function 2-3: Components of consumption 2-4: Determinants of Consumption 2-5: Consumption and Saving 2-6: Consumption and Investment
Chapter 3:Investment	3.1: Introduction to Chapter 3 3.2: Investment Behavior 3.3: Gross and Net Investment 3.4: Components of Investment 3.5: Determinants of Investment 3.6: Investment Function 3.7: Changes in Investment Demand
Chapter 4:The Fixed Price Model	4-1: Introduction to Chapter 4 4-2: The IS- LM Model 4-3: The Money Market and the LM Curve 4-4: The Short-Run Equilibrium
Chapter 5:Money	5-1: Introduction 5-2: Measure of Money 5-3: Demand for Money 5-4: Supply of Money 5-5: Instruments of Monetary Policy
Chapter 6:Fiscal Policy	6.1: Fiscal Policy: Introduction

Module	Topic
	<p>6.2: Fiscal Policy Definition</p> <p>6.3: Types of Fiscal Policy</p> <p>6-4: Lags Associated with Fiscal Policy</p> <p>6-5: Fiscal Policy and Economic Models</p> <p>6-6: Expansionary Fiscal Policy and Exchange Rate</p> <p>6-7: Optimal Fiscal Policy and Balanced Budget</p>
Chapter 7: Monetary Policy	<p>7-1: Introduction</p> <p>7-2: Monetary Policy Definition</p> <p>7-3 Monetary Policy Targeting</p> <p>7-4: Types of Monetary Policy</p> <p>7-5: Monetary Policy and Classical Theory</p> <p>7-6: Monetary Policy Instruments</p> <p>7-7: Monetary Policy Transmissions Mechanisms</p> <p>7-8: Interest Rate and Monetary Policy</p> <p>7-9: Lags Associated with Monetary Policy</p> <p>7-10: Monetary Policy in the Mundell Fleming Model</p>
Chapter 8: Inflation	<p>8.1 introductions</p> <p>8.2 Inflation Definition</p> <p>8.3 Inflation Measurement</p> <p>8.4 Types of Inflation</p>

Module	Topic
	8.5 Other Types of Inflation 8.6 Causes of Inflation 8.7 Consequences of Inflation 8.8 Cures of Inflation
Chapter 9:Unemployment	9.1 Introduction 9.2 Unemployment – Definition 9.3 Labor Force - Definition 9.4 Unemployment Types 9.5 Universal Causes of Unemployment 9.6 Consequences of Unemployment 9.7 Cures of Unemployment 9.8 The Theory of the Natural Rate of Unemployment 9.9 Measurement of Unemployment 9.10 The Duration of Unemployment
Chapter 10:Economic Growth	10.1 introduction 10.2 Growth and the Production Possibility Curve 10-4 Adam Smith and Growth 10-5 Thomas Malthus Model 10-6 Arthur Lewis Growth Model 10-7 Harrod Domar Growth Model

*Delivery mode of each topic will be determined by instructor and could differ from one semester to the other.

