

MACROECONOMIC PRINCIPLES

Course Outline

Winter 2020,

1/16/2020 12:44 PM

Professor: H. Moussa

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Office Hours: Tuesday – Thursday 11:00 am-12:30 p.m.

Introduction

Welcome to this course of Introductory Economics. One of the main concerns of Economics is the study of efficient allocations of scarce resources (i.e., land, labor and capital) to the production of goods and services to satisfy virtually unlimited human wants. One of the main goals of economics is to identify the sources of inefficiency in the working of the economic system and the appropriate remedies. In a market system, competition could make out of greed a self-controlled mechanism that promotes the public interest resulting in efficient allocations of resources. In contrast, monopoly allows greed free rein. It leads to an inefficient allocation of resources, creates unemployment, and contributes to poverty. In addition, competition itself may fail to control greed and competitive market systems may produce an inefficient allocation of resources. These issues arise at the level of individual markets or at the micro level. Microeconomics deals with these issues. At the macro level, inefficiencies result from the lack of coordination between the present and the future needs of people and the dynamic nature of economic growth and prosperity. Money, physical assets, financial institutions, financial instruments play a major role in the economic system's attempt to solve the coordination problems. However, uncontrolled greed, inappropriate government economic policy and the dynamic operation of the market system itself can result insufficient coordination and thus inefficiencies such as those associated with unemployment, inflation, unstable interest rates and foreign exchange rates, lack of capital or chaotic technological change. The study of these inefficiencies, their causes and the role of the government in correcting those inefficiencies constitutes macroeconomics, the subject matter of this course.

The purpose of this course is to introduce students to the analysis of issues related to macroeconomic policy.

Recommended Textbooks:

H. Moussa, 2020 Lecture Notes for Introductory Economics

Bade, R., M. Parkin, (BP) "Macroeconomics", Pearson, Toronto, tenth edition,

There will be four assignments, one midterm exam, three tests, and a final exam.

You must do your assignments; they are not optional.

Topics Schedule

Week	Topic	Moussa	BP 9e	BP10e
Week 1: Jan 6-Jan 10	Demand and Supply model with perfect competition	Ch. 2	Ch. 3	Ch. 3
Week 2: Jan 13- Jan 17	Foreign exchange market	Ch. 14	Ch. 25	Ch. 9
Week 3: Jan 20 - Jan 24	National Income Accounting	Ch. 15	Ch.20	Ch.4
Week 4: Jan 27- Jan 31	Growth, Unemployment, and Inflation	Chs 16,17	Ch. 21,22	Ch. 5, 6
Week 5: Feb 3 – Feb 7	Money Creation	Ch. 18	Ch. 24	Ch. 8
Week 6: Feb 10-Feb 14	Money Supply Control	Ch. 19	Ch. 24	Ch. 8
Week 7: Feb 17- Feb 21	Study Break			
Week 8: Feb 24– Feb 28	Long Run Equilibrium, labor and Loanable funds markets	Ch. 20	Ch. 23	Ch. 7

Week 9: Mar 2 – March 6	Short Run Equilibrium: Unemployment and Inflation	Ch. 21	Ch. 26	Ch. 10
Week 10: Mar 9 - Mar 13	Short Run Equilibrium: Unemployment, and Inflation	Ch. 21	Ch, 26	Ch, 10
Week 11: Mar 16– Mar 20	Keynesian Economics and Involuntary Unemployment	Ch. 22	Ch. 27, 28	Ch, 11,12
Week 12: Mar 23–March 27	Fiscal policy and monetary policy	Ch. 23	Ch. 29	Ch. 13
Week 13: Mar 30 – Apr 3	Fiscal policy and monetary policy	Ch. 23	Ch. 30	Ch. 14
April 03	Last day of Classes			

Marking system

	Weight
Assignments	12%
Tests	18%
Midterm exam	30%
Final Exam	40%

Please note: To earn a C- grade or better in this course, you need to pass the final exam with a mark of 50% or better.

Tests Schedule

Tests, Midterm and final exam	Date
Test 1	February 5, 2020
Midterm	Thursday, February 13, 2020 5:30 pm to 6:45 pm To give you enough time to write a better exam and earn a better mark
Test 2	March 16, 2020
Test 3	April 1, 2020
Final Exam	See Registrar's Exam Schedule

Assignments Schedule

Assignment	Date of Distribution	Due date
1	January 20, 2020	January 29 2020
2	January 29, 2020	February 7, 2020
3	March 4 2020	March 13, 2020
4	March 13, 2020	March 23, 2020

Assignments must be handed at the beginning of the class of the due date day.

END