

MACROECONOMIC PRINCIPLES

Course Outline

Winter 2021,

1/14/2021 6:40 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 Macroeconomics. Economics is the study of efficient allocations of scarce resources (i.e., land, labor and capital) to the production of goods and services with a view to ensure a growing standard of living to everyone and eradicate poverty. Thus, 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 based economy, perfect competition not rivalry could make out of greed with the help of government 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, perfect 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 macroeconomic level, inefficiencies result from the lack of enough 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 constitute macroeconomics; the subject matter of this course.

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

Recommended Textbooks:

H. Moussa, 2021 Lecture Notes for Introductory Economics

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

Topics Schedule

Week	Topic	Moussa	BP 9e	BP10e
Week 1: Jan 18-Jan 22	Demand and Supply model	Ch. 2	Ch. 3	Ch. 3
Week 2: Jan 25- Jan 29	Foreign exchange market	Ch. 14	Ch. 25	Ch. 9
Week 3: Feb 1- Feb 5	National Income Accounting	Ch. 15	Ch.20	Ch.4
Week 4: Feb 8- Feb 12	Growth, Unemployment, and Inflation	Chs 16,17	Ch. 21,22	Ch. 5, 6
Week 5: Feb 15- Feb 19	Study Break			
Week 6: Feb 22-Feb 26	Money Creation	Ch. 18	Ch. 24	
Week 7: Mar 1 – March 5	Money Supply Control	Ch. 19	Ch. 24	Ch. 8
Week 8: Mar 8 - Mar 12	Long Run Equilibrium, labor and Loanable funds markets	Ch. 20	Ch. 23	Ch. 7
Week 9: Mar 15 - Mar 19	Short Run Equilibrium: Unemployment and Inflation	Ch. 21	Ch. 26	Ch. 10
Week 10: Mar 22– Mar 26	Short Run Equilibrium: Unemployment, and	Ch. 21	Ch, 26	Ch, 10

Week 11: Mar 29–Apr 2	Inflation Keynesian Economics and Involuntary Unemployment	Ch. 22	Ch, 27, 28	Ch, 11,12
Week 12: Apr 5 – Apr 9	Fiscal policy and monetary policy	Ch. 23	Ch. 29	Ch. 13
Week 13: Apr 12 – Apr 13	April 12 is the Last day of classes for this course	Ch. 23	Ch. 30	Ch. 14

Marking system

	Weight
Assignments	16%
Tests	18%
Midterm exam	30%
Final Exam	36%

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 10, 2021
Midterm	March 8, 2021
Test 2	March 24, 2021
Test 3	April 9, 2021
Final Exam	See Registrar's Exam Schedule

Assignments Schedule

Assignment	Date of Distribution	Due date
1	February 3, 2021	February 12, 2021
2	February 13, 2021	February 22, 2021
3	March 17, 2021	March 26, 2021
4	March 26, 2021	April 7, 2021

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

END