

MACROECONOMIC PRINCIPLES

Course Outline

Fall 2022,

9/5/2022 10:25 PM

Professor: H. Moussa

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Introduction

Welcome to this course of Introductory Macroeconomics. Economics is the study of efficient allocations of scarce resources (i.e., land, labour, 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, 2022 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: Sept 7- Sept 9	Demand and Supply model	Ch. 2	Ch. 3	Ch. 3
Week 2: Sept 12- Sept 16	Demand and Supply model	Ch. 2	Ch. 3	Ch. 3
Week 3: Sept 19- Sept 23	Foreign exchange market	Ch. 14	Ch. 25	Ch. 9
Week 4: Sept 26- Sept 30	National Income Accounting	Ch. 15	Ch.20	Ch.4

Week 5: Oct 3 - Oct 7	Growth, Unemployment, and Inflation	Chs 16,17	Ch. 21,22	Ch. 5, 6
Week 6: Oct 10 - Oct 14	Money Creation	Ch. 18	Ch. 24	Ch. 8
Week 7: Oct 17 - Oct 21	Money Supply Control	Ch. 19	Ch. 24	Ch. 8
Week 8: Oct 24 – Oct 28	Long Run Equilibrium, labor and Loanable funds markets	Ch. 20	Ch. 23	Ch. 7
Week 9: Oct 31- Nov 4	Fall study break - no classes			
Week 10: Nov 7- Nov 9	Short Run Equilibrium: Unemployment and Inflation	Ch. 21	Ch. 26	Ch. 10
Week 11: Nov 14- Nov 18	Short Run Equilibrium: Unemployment, and Inflation	Ch. 21	Ch, 26	Ch, 10
Week 12: Nov 21- Nov 25	Keynesian Economics and Involuntary Unemployment	Ch. 22	Ch, 27, 28	Ch, 11,12
Week 13: Nov 28 - Dec 2	Fiscal policy and monetary policy	Ch. 23	Ch. 29	Ch. 13
Week 13: Dec 5 - Dec 7	Fiscal policy and monetary policy	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	September 29, 2022
Midterm	October 20, 2022
Test 2	November 15, 2022
Test 3	December 1, 2022
Final Exam	See Registrar's Exam Schedule

Assignments Schedule

Assignment	Date of Distribution	Due date
1	September 22, 2022	October 4, 2022
2	October 4, 2022	October 13, 2022
3	November 8, 2022	November 17, 2022
4	November 17, 2022	November 24, 2022

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

END