

MACROECONOMIC PRINCIPLES

Course Outline

Winter 2017,

1/25/2017 11:25 AM

Professor: H. Moussa

Office Location: BAC 347
Office Telephone: (902) 585 1511
Email Address: moussa@acadiu.ca
Office Hours: Tuesday – Thursday 10:30 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 for the purpose of satisfying 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 an efficient allocation of resources. In contrast, monopoly allows greed free rein. It leads to an inefficient allocation of resources, creates unemployment, severe income inequality, social strife, and contributes to poverty. In addition, competition itself may fail to control greed and competitive market systems may produce an inefficient allocation of resources under certain conditions. These issues arise at the level of individual markets or at the micro level. Microeconomics deals with these issues and offers appropriate government policies to deal with them.

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. Inappropriate government economic policy or the lack of appropriate ones due to incompetence or under pressure from vested interest groups seeking to maintain or promote monopoly and the dynamic operation of the market system can result in grave economic inefficiencies. These inefficiencies are associated with unemployment, inflation, unstable interest rates and foreign exchange rates, manipulation of prices or the financial system, restrictions on trade, manipulation of trade and prices of services of factors of production by tyrannical governments, lack of physical capital, and lack of access to technological progress. The study of these inefficiencies, their causes and the role of the a responsible democratic government in correcting them 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, 2017 Lecture Notes for Introductory Economics

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

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

Please make sure to follow rigorous strategy of keeping up with the required readings and regular work, including assignments, and tests throughout the semester. There is a help desk and office hours, avail yourself of them. The final exam is important. It is not because you did well on assignments and test that you need not prepare for the final exam.

To earn a C- grade or better in this course you must pass the Final Exam

Please do not wait until the last moment to ask for help. To succeed and you need help you must act promptly. I want everyone in this class to succeed.

Part I: Topics Schedule

Week	Topic	Moussa	BP
Week 1: Jan 9-Jan 13	Demand and Supply model with perfect competition	Ch. 2	Ch. 3
Week 2: Jan 16- Jan 20	Foreign exchange market	Ch. 14	Ch. 25
Week 3: Jan 23 - Jan 27	National Income Accounting	Ch. 15	Ch.20
Week 4: Jan 30- Feb 3	Growth, Unemployment, and Inflation	Chs 16,17	Ch. 21,22
Week 5: Feb 6 – Feb 10	Money Creation	Ch. 18	Ch. 24
Week 6: Feb 13-Feb 17	Money Supply Control	Ch. 19	Ch. 24
Week 7: Feb 20- Feb 24	Study Break		
Week 8: Feb 27– March 3	Long Run Equilibrium, labor market and Loanable funds market	Ch. 20	Ch. 23
Week 9: Mar 6 – March 10	Short Run Equilibrium: Unemployment and Inflation	Ch. 21	Ch. 26
Week 10: Mar 13 Mar 17	Short Run Equilibrium: Unemployment and Inflation	Ch. 21	Ch, 26
Week 11: Mar 20– Mar 24	Keynesian Economics and Involuntary Unemployment	Ch. 22	Ch, 27
Week 12: Mar 27– March 31	Fiscal policy and monetary policy	Ch. 23	Ch. 29
Week 13: Apr 3 – Apr 7	Fiscal policy and monetary policy	Ch. 23	Ch. 30

Part II: Marking system

	Weight
Assignments	10%
Tests	18%
Midterm exam	32%
Final Exam	40%

Part III: Tests Schedule

Test and Midterm	Date
Test 1	February 3, 2017
Midterm	February 15, 2017, 5:00 pm-6:30 pm
Test 2	March 15 2017
Test 3	April 5, 2017

Part III: Assignments Schedule

Assignment	Date of Distribution	Due date
1	January 20 2017	January 27 2017
2	January 27, 2017	February 6, 2017
3	March 8 2017	March 15, 2017
4	March 15, 2017	March 24, 2017

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

END