

MACROECONOMIC PRINCIPLES

Course Outline

Winter 2018,

1/19/2018 1:11 PM

Professor: H. Moussa

Office Location: BAC 347
Office Telephone: (902) 585 1511
Email Address: moussa@acadiau.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 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, and financial instruments play a major role in the economic system's attempt to solve the problems of coordination between the present and the future. 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. Macroeconomics is the subject matter of this course.

The purpose of this course is to introduce students to the analysis of issues related dynamic macroeconomics and government's macroeconomic policies.

Recommended Textbooks:

H. Moussa, 2018 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.

You must do your assignments; they are not optional.

Topics Schedule

Week	Topic	Moussa	BP
Week 1: Jan 8-Jan 12	Demand and Supply model with perfect competition	Ch. 2	Ch. 3
Week 2: Jan 15- Jan 19	Foreign exchange market	Ch. 14	Ch. 25
Week 3: Jan 22 - Jan 26	National Income Accounting	Ch. 15	Ch.20
Week 4: Jan 29- Feb 2	Growth, Unemployment, and Inflation	Chs 16,17	Ch. 21,22
Week 5: Feb 5 – Feb 9	Money Creation	Ch. 18	Ch. 24
Week 6: Feb 12-Feb 16	Money Supply Control	Ch. 19	Ch. 24
Week 7: Feb 19- Feb 23	Study Break		

Week 8: Feb 26– March 2	Long Run Equilibrium, labor market, and Loanable funds market	Ch. 20	Ch. 23
Week 9: Mar 5 – March 9	Short Run Equilibrium: Unemployment and Inflation	Ch. 21	Ch. 26
Week 10: Mar 12 - Mar 16	Short Run Equilibrium: Unemployment and Inflation	Ch. 21	Ch. 26
Week 11: Mar 19– Mar 23	Keynesian Economics and Involuntary Unemployment	Ch. 22	Ch. 27
Week 12: Mar 26– March 30	Fiscal policy and monetary policy	Ch. 23	Ch. 29
Week 13: Apr 2 – Apr 6	Fiscal policy and monetary policy	Ch. 23	Ch. 30
April 09	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 2, 2018
Midterm	February 14, 2018, 5:00 pm-6:30 pm
Test 2	March 14 2018
Test 3	April 4, 2018
Final Exam	See Registrar's Exam Schedule

Assignments Schedule

Assignment	Date of Distribution	Due date
1	January 22, 2018	January 31 2018
2	January 31, 2018	February 9, 2018
3	March 7 2018	March 16, 2018
4	March 16, 2018	March 26, 2018

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

END