Course Name : Macroeconomics

Course Code	Course Type	Regular Semester	Lecture (hours/week)	Seminar (hours/week)	Lab. (hours/week)	Credits	ECTS
EMS 216	B	Spring	3.00	1.00	0.00	3.50	5.00

Lecturer	Sorina Koti, PhD
Assistant	Kriselda Gura, MSc
Course language	English
Course level	Bachelor
Description	Kjo lende i njeh studentët me parimet thelbësore makroekonomike dhe makroekonominë thelbësore teoritë. Fokusi është në të kuptuarit e funksionimit të tre tregjeve të një ekonomie moderne: të tregun e mallrave, tregun e parasë dhe tregun e punës. Qëllimi është të mësoni se si të mendoni në mënyrë kritike rreth ekonomisë duke përdorur mjete formale si modelet algjebrike dhe statistikore. Idetë themelore ekonomike dhe funksionimi i ekonomisë në shkallë kombëtare. Prodhimi, shpërndarja dhe konsumi i mallrave dhe shërbimeve, procesi i shkëmbimit, roli i qeverisë, të ardhurat kombëtare dhe shpërndarja e tyre, PBB, funksioni i konsumit, funksioni i kursimeve, shpenzimet për investime, parimi i shumëzuesit dhe ndikimi i shpenzimeve të qeverisë në të ardhura dhe prodhim . Analiza e politikës monetare, duke përfshirë sistemin bankar dhe sistemin e rezervës federale.
Objectives	Shpjegomi parimet thelbësore ekonomike, shqetësimet kryesore makroekonomike dhe dini si t'i bëni llogaritin treguesit bazë makroekonomikë. • Shpjegoni parimet thelbësore ekonomike që qëndrojnë në themel të funksionimit të tregut të mallrave tregu i parasë dhe tregu i punës në një ekonomi moderne. • Analizoni mekanizmat dhe kanalet përmes të cilave ndikojnë politikat fiskale dhe monetare makroekonomia. • Të vlerësojë dhe sintetizojë debatet aktuale ekonomike mbi politikën makroekonomike ndërhyrja. • Përdorni modele të thjeshta makroekonomike për të analizuar një ekonomi dhe për të nxjerrë efektet e goditje ekzogjene në prodhimin, punësimin dhe nivelin e çmimeve. • Shpjegoni këndvështrime të ndryshme në makroekonomi.
Core Concepts	makroekonomi inlfacion papunesi modeli ISLM norma e kembimit politika monetare politika fiskale

Course Outline

Week	Topic
1	Chapter 1- The Policy and Practice of Macroeconomics What are your career plans after graduation? Many factors beyond your grades and choice of a major affect the ultimate path you take. When you graduate from college, will jobs be plentiful or will a high unemployment rate (as occurred in the aftermath of the 2007–2009 recession) make it a challenge to find work? Will overall prices be rising rapidly, so you will need more money to pay for your expenses next year? Will the value of the U.S. dollar decline so that it will be more expensive to travel abroad? Should you worry about the current high government budget deficits?
2	Chapter 2 - Measuring Macroeconomic Data In this chapter we examine how economists define and measure the most important data in macroeconomics, areas critical to your gaining a full understanding of macroeconomics. In this chapter, we will examine the following questions: How do we measure economic activity, and specifically gross domestic product, a broad measure of economic activity? What are the key components of gross domestic product? How do we measure inflation and does it tell us how rapidly the cost of living is rising? What is unemployment and how do we measure it? What are interest rates and which measures of interest rates are the most important in macroeconomics?

3	Chapter 3 - aggregate Production and Productivity This chapter provides a framework for understanding production in the overall (aggregate) economy. After examining the fundamental factors of production, we will look at what determines their prices and the income they generate, as well as their share of national income.
4	Chapter 4 - Saving and Investment in a Closed and Opened Economy. We take a long-run perspective in which wages and prices are flexible. We will see that lower saving leads to lower investment, slowing the growth of the capital stock and indeed making the United States poorer in the future. We will also see that lower saving leads to greater borrowing from foreigners, requiring future debt payments that reduce the wealth of Americans.
5	Chapter 5 - Money and Inflation In this chapter, we will see that the growth rate of the quantity of money does explain inflation in the long run—when prices fully adjust to an equilibrium level—but not very well in the short run. We start the chapter by developing precise definitions of money and describing how it is currently measured. We then examine the link between money, inflation, and interest rates, and then discuss the costs of inflation for households and businesses.
6	Chapter 6 - The Sources of Growth and the Solow Model We start the chapter by examining growth accounting, which builds on the production function we discussed in Chapter 3. From there, we explore the Solow growth model, the basis of all modern research on economic growth, and its limitations. We then go beyond the Solow model in the following chapter to look in more detail at the role of technology and institutions in promoting economic growth.
7	Chapter 7 - Drivers of Growth: Technology, Policy, and Institutions In the last chapter, we used the Solow model to examine the role of capital accumulation in determining why some countries have experienced high economic growth, while others have not grown at all, leaving their citizens mired in abject poverty. A deeper question remains: Why do capital and productivity grow at rapid rates in some countries but not in others? To answer this question, we start the chapter by discussing how technology differs from the conventional production inputs of capital and labor, which we discussed in the previous chapter. We will then explore policies to promote productivity growth, such as building physical infrastructure (roads and ports), increasing the knowledge and skills of workers, and providing incentives to stimulate research and development. We will also explore why the right set of basic institutions—including property rights and an effective legal system—is key to attaining high growth in capital and productivity, and hence to economic growth.
8	Midterm
9	Chapter 8 - Business Cycles This chapter introduces the characteristics of business cycles and the country’s experiences with them over the past 150 years. We will explore the economic data that underlie the business cycle, such as gross domestic product and the unemployment rate. Finally, we introduce two schools of economic thought, Keynesian and classical economics, which take sharply different views on how governments should respond to business cycles. In later chapters, we will develop a theory of business cycles and an economic model to explain these fluctuations.
10	Chapter 9 - IS Curve In this chapter, we develop the first building block to understand aggregate demand, the IS curve, which describes the relationship between real interest rates and aggregate output when the market for goods and services (more simply referred to as the goods market) is in equilibrium. We begin by deriving the IS curve and then go on to explain what factors cause the IS curve to shift. With our understanding of the IS curve, we can examine why the economic contraction during the Great Depression was so deep and how the fiscal stimulus package of 2009 affected the economy. Then in later chapters, we make use of the IS curve to understand the role of monetary and fiscal policy in economic fluctuations.
11	Chapter 10- Monetary Policy The short-run model of the aggregate economy that we are building step by step will allow us to analyze how a central bank’s policy decisions affect the economy. We start this chapter by explaining why monetary policy makers set interest rates to rise when inflation increases, leading to a positive relationship between real interest rates and inflation, which is called the monetary policy (MP) curve. Then using the MP curve with the IS curve we developed in the previous chapter, we derive the aggregate demand curve, a key element in the aggregate demand/aggregate supply model framework used in the rest of this book to discuss short-run economic fluctuations.

12	Chapter 14 - The financial system and economic growth We examine the role that the financial system plays in the economy in this and the following chapter. This chapter focuses on the long run, that is, on what role the financial system plays in promoting economic growth. It discusses why a well-functioning financial system is a key condition for high economic growth. The following chapter focuses on the short run, that is, it looks at what happens when the financial system suddenly stops working well, which can cause a sharp contraction in economic activity. We start this chapter by first outlining the financial system's role in channeling funds in the economy. Then, we describe the two kinds of information problems that can interfere with the flow of funds in the financial system, and the role of banks and governments in resolving those problems. The tools that we develop to conduct this analysis will also be building blocks for the discussion of financial crises in the following chapter. Finally, we review the empirical evidence of a link between a wellfunctioning financial system and a healthy economy.
13	Chapter 16- Fiscal Policy and Government Budget Do fiscal stimulus programs, the Recovery Act actually create jobs and grow output? Can they bankrupt a government, or produce other undesirable effects, such as higher inflation or lower economic output? These same questions apply to the largest, ongoing government programs, Medicare and Social Security. Taken broadly, fiscal policy involves decisions about government spending and taxation. In this chapter, we first examine the relationship between the government budget and the growth of government debt. Then we look at the long- and short-run economic effects of budget deficits, tax cuts, and increased government spending.
14	Chapter 20 - The Labor Market, Employment and Unemployment The labor market determines our wages, our ability to find work, and the time we have for leisure. Economists study the labor market to answer big-picture questions. Why has labor force participation of women increased so much? Why are unemployment rates in Europe typically higher than in the United States? Why does a college education today generate higher returns than it once did? Why has income inequality grown so much in recent years? This chapter begins with a general look at the U.S. labor market over the last halfcentury. It then develops a supply and demand model of the labor market and examines the sources of unemployment. With this analysis, we then start answering many of the questions posed previously.
15	Project Presentation
16	Final Exam

Prerequisites	The student must attend the course at a minimum rate of 75%.
Literature	• Mishkin, F. S. (2011). Macroeconomics: Policy and Practice (Pearson Series in Economics). Prentice Hall.
References	• Makroekonomi: Politika dhe Praktika. Mishkin, F.S. (2011)

Course Outcome

1	Explain the role of scarcity, specialization, opportunity cost and cost/benefit analysis in economic decision-making.
2	Identify the determinants of supply and demand; demonstrate the impact of shifts in both market supply and demand curves on equilibrium price and output.
3	Define and measure national income and rates of unemployment and inflation.
4	Identify the phases of the business cycle and the problems caused by cyclical fluctuations in the market economy.
5	Define money and the money supply; describe the process of money creation by the banking system and the role of the central bank.
6	Construct the aggregate demand and aggregate supply model of the macro economy and use it to illustrate macroeconomic problems and potential monetary and fiscal policy solutions.
7	Explain the mechanics and institutions of international trade and their impact on the macro economy.
8	Define economic growth and identify sources of economic growth.
9	Address issues, policies, public opinions, expectations, environmental, and cultural changes that affect industry, society, choices, and the current economic state.

Course Evaluation		
In-term Studies	**Quantity**	**Percentage**
Midterms	1	30
Quizzes	0	0
Projects	0	0
Term Projects	1	20
Laboratory	0	0
Class Participation	1	10
Total in-term evaluation percent		**60**
Final exam percent		**40**
Total		**100**

ECTS Workload (Based on Student Workload)			
Activities	**Quantity**	**Duration (hours)**	**Total (hours)**
Course duration (Including the exam week: 16x Total hours of the course)	16	4	64
Study hours outside the classroom (Preparation, Practice, etc.)	14	2	28
Duties	1	14	14
Midterms	1	10	10
Final Exam	1	10	10
Other	0	0	0
Total Work Load			**126**
Total Work Load / 25 (hours)			**5.04**
ECTS			**5.00**