

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		Kriselda Gura, MSc					
Assistant							
Course language		English					
Course level		Bachelor					
Description		This course introduces students to basic macroeconomic principles and theories. The focus is on understanding the functioning of the three markets of a modern economy: the goods and service market, the market money and the labor market. The goal is to learn how to think critically about economics using formal tools such as algebraic and statistical models. Another goal is to master the basic economic ideas and the operation of the economy in national scale. Production, distribution and consumption of goods and services, exchange processes, the role of the government, national income and its distribution, GDP, the function of consumption, savings function, investment spending, multiplier principle and influence of government spending on income and production are the main concepts it focuses on this subject. Analysis of monetary policy, including the banking system and the system of federal reserve is also an integral part of the subject.					
Objectives		Main objectives: To explain the essential economic principles, the main macroeconomics concerns and know how to calculate basic macroeconomic indicators; to explain the essential economic principles that underlie the operation of the goods and services market, money market and labor market in a modern economy. Analyzing the mechanisms and channels through which fiscal and monetary policies affect the macroeconomics of a country. Assessing and synthesizing current economic debates on the intervention of macroeconomic policies. Using simple macroeconomic models to analyze an economy and derive the effects of exogenous shocks on output, employment and the price level. Explaining different perspectives in macroeconomics.					
Core Concepts		savings investments monetary policy fiscal policy inflation unemployment					
Course Outline							
Week	Topic						
1	Chapter 1- Policy and Practice of Macroeconomics. What are your career plans after graduation? Many factors beyond your grades and choice of field main affects the final path you take. When you finish university, will there be many jobs? or will there be a high unemployment rate (as happened after the 2007-2009 recession) that makes it a challenge to find a work? Will general prices rise rapidly so you will need more money to pay your expenses next year? Does the fall of the US dollar affect the cost of traveling abroad? country? If you are worried about the current sour government budget deficit, what will you do? (Mishkin. F.S (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition, Pages 1-15.)						
2	Chapter 2- Measurement of macroeconomic data. In this chapter we examine how economists define and measure the most important data in macroeconomics, critical area to fully understand macroeconomics. In this chapter, we will examine the following questions: How to measure economic activity and specifically GDP, a broad measure of economic activity? What are the main components of gross domestic product? How do we measure it? Inflation and does it tell us how fast the cost of living is rising? What is unemployment and how to measure it that? What are interest rates and what measures of interest rates are most important in macroeconomics? (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Page 18-43)						

3	Chapter 3 - Aggregate Production and Productivity: This chapter provides a framework for understanding production in general (aggregate) economy. After considering the basic factors of production, we will look at what determines their prices and the income they generate, as well as those parts of the national income. (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 47-65.)
4	Chapter 4 - Saving and investment in a closed and open economy. The long-term perspective in which there are flexible wages and prices. We will see that lower saving leads to lower investment, thus slowing the growth of the capital stock and actually making countries poorer in the future. we we will also see that lower savings lead to greater foreign borrowing, seeking debts in the future, these payments that reduce the national wealth. (Mishkin. F.S. (2019). Macroeconomics: Politics & Practice. Pearson 2019. Latest Edition. Pages 67-100.)
5	Chapter 5 - Money and Inflation. In this chapter, we will see that the rate of growth of the money supply explains inflation in the long run - when prices fully adjust to an equilibrium level - but not very well in the long and run short. We begin the chapter by developing precise definitions of money and describing how money in circulation is currently measured. Then we examine the relationship between money, inflation and interest rates interest, and then we discuss the costs of inflation to households and businesses. (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 102-141)
6	Chapter 6 - Sources of Growth and the Solow Model. We begin the chapter by examining growth accounting, which is based on the production function that we have discussed in previous chapters and its limitations. We no longer go beyond the Solow model in the next chapter to see in more detail the role of technology in driving a country's economic growth. (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Page 144 - 174)
7	Chapter 7 - Drivers of Growth: Technology, Policy and Institutions. In the last chapter, we used 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 deep poverty. The essential question being asked: Why do capital and productivity grow at rapid rates in some places but not in others? To answer this question, we begin the chapter by discussing how it varies technology from the conventional production inputs of capital and labor, which we discussed in chapter previous. We will then consider 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 groups of basic institutions—including property rights and an effective legal system—is key to achieving high growth of capital and productivity, and thus economic growth. (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 175 - 196)
8	Midterm
9	Chapter 8 - Business Cycles. This chapter presents the characteristics of business cycles and country experiences with them over the past 150 years. We will explore the economic data underlying the cycle of business, such as gross domestic product and the unemployment rate. Finally, we present two schools of economic thought, Keynesian and the classical economic model, which have 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 changes approach. (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 200-220)
10	Chapter 9 - The IS Curve - In this chapter the goal is 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 start by deriving the IS curve and then we continue by explaining what factors cause the IS curve to shift. Understanding the IS curve, we can examine why the economic contraction during the Great Depression was so deep and how it affected the 2009 fiscal stimulus package in the economy. Then in later chapters, we use the IS cube for it understand the role of monetary and fiscal policies in economic fluctuations. (Mishkin. F.S (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 222-238)

11	Chapter 10 - Monetary Policy - The short-term 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. This chapter begins explaining why monetary policy makers decide to raise interest rates when inflation rises, by leading to a positive relationship between real interest rates and inflation, which is called the policy curve monetary (MP). Then using the MP curve with the IS curve we developed in the previous chapter, 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-term economic fluctuations. (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 240-266)
12	Chapter 14 - The Financial System and Economic Growth - Here we examine the role that the financial system plays in economy in this and the next chapter. This chapter focuses on the long term, so in what role financial system plays in promoting economic growth. He discusses why a financial system that works well it is a key condition for high economic growth. The next chapter focuses on the short term, that is, it looks at what happens when the financial system suddenly stops working well, which it can cause a sharp contraction of economic activity. We begin this chapter by first describing the role of the financial system in the channeling of funds in the economy. Next, we describe the two types of information problems that may interfere with the flow of funds in the financial system, and the role of banks and governments in solving these problems. The tools we develop to perform this analysis will also serve as building blocks for the discussion of financial crises in the next chapter. Finally, we examine the empirical evidence of a link between a well-functioning financial system and a healthy economy. (Mishkin. F.S.(2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 345-364)
13	Chapter 16 - Fiscal Policy and Government Budget - We ask questions like: Do they really create jobs and do fiscal stimulus programs, the Recovery Act, increase output? Can they bankrupt a government, or produce other undesirable effects, such as higher inflation or lower economic output? of the same questions apply to the larger, ongoing government programs, Health Care and Social Security. Broadly taken, fiscal policy involves decisions about government spending and tax. In this chapter, we first examine the relationship between the government, the budget, and debt growth to govern. Then we look at the long and short term economic effects of budget deficits, tax cuts and increased government spending. (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 396-420)
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 free time. Economists study the labor market to answer to important questions such as: Why have women's labor force participation increased so much? Why the rates of unemployment rates in Europe are usually higher than in the United States? Why a university education today generate higher profits than before? Why has income inequality grown so much in recent years? The chapter begins with an overview of the US labor market over the past half century. more then develops a model of labor market supply and demand and examines the sources of unemployment. With this analysis, we begin to answer many of the questions posed earlier. (Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition. Pages 514-537)
15	Presentation of Projects. Review.
16	Final Exam

Prerequisites	The student must attend the course at a minimum rate of 75%.
Literature	• Mishkin. F.S. (2019). Macroeconomics: Policy & Practice. Pearson 2019. Latest Edition
References	• Basics of Macroeconomics. 9th edition. Pearson 2020. Robin Bade and Michel Parkin
Course Outcome	
1	Explain the role of scarcity, specialization, opportunity cost, and cost/benefit analysis in decision making economy.
2	Identify the determinants of supply and demand; demonstrate the impact of changes in it the two markets supply and demand curves on the equilibrium price and product.
3	Define and measure national income and unemployment and inflation rates.
4	Identify the stages of the business cycle and the problems caused by cyclical fluctuations in Market economy.
5	Define money and money supply; describe the process of creating money from banking system and the role of the central bank.
6	Construct the aggregate demand and aggregate supply model of macroeconomics and use it to illustrate macroeconomic problems and possible policy solutions monetary and fiscal.
7	Explain the mechanics and institutions of international trade and their impact on macro economy.
8	Define economic growth and identify the sources of economic growth.
9	Address issues, policies, public opinion, expectations, environmental changes and cultural factors affecting industry, society, elections and the current economic situation.

Course Evaluation			
In-term Studies	Quantity	Percentage	
Midterms	1	30	
Quizzes	0	0	
Projects	1	25	
Term Projects	0	0	
Laboratory	0	0	
Class Participation	1	10	
Total in-term evaluation percent			65
Final exam percent			35
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	10	10
Midterms	1	11	11
Final Exam	1	12	12
Other	0	0	0
Total Work Load			125
Total Work Load / 25 (hours)			5.00
ECTS			5.00