



BBA 21023: Macroeconomics

Level: 2000

Number of Credits : 03

Course Description

Macroeconomics provides the fundamentals of economics focusing on the behavior of the aggregate economy. It focuses on explaining macroeconomic variables while discussing interrelations among them. The course deals with addressing contemporary macroeconomic issues.

Intended Learning Outcomes

At the end of this course, students will be able to,

- Explain key macroeconomic concepts and problems
- Discuss macroeconomic theories and explain how the economy operates.
- Analyze macroeconomic issues from institutional and policy perspectives.

Teaching/learning methods

Lectures, Presentations, Group discussions, Workshops and Seminars

Methods of assessment

In-course Assessments	: 30%
End semester examination	: 70%

Course content

- 1 Introduction to macroeconomics
Positive and normative economics, history of macroeconomics
- 2 Macroeconomic goals
Employment, price stability, external stability and long-run growth
- 3 National Income
Approaches to national income, nominal versus real GDP, purchasing power parity and new perspectives
- 4 Aggregate expenditure and equilibrium output
Keynesian theory of consumption, equilibrium output, expenditure multiplier
- 5 Fiscal policy
Government intervention, tax multiplier, transfer payments multiplier, government Budget
- 6 Monetary policy
Supply of money, qualitative and quantitative instruments
- 7 Money demand and equilibrium interest rate
Keynesian liquidity preference theory, money market
- 8 Aggregate demand in the goods and money markets
Planned investment and interest rate, equilibrium in goods and money markets; IS-LM model, policy effects, aggregate demand curve
- 9 Aggregate supply and the equilibrium price level

- Aggregate supply curve, equilibrium price level, effects of monetary and fiscal policy
- 10 International trade
Comparative advantage and absolute advantage, trade barriers, protectionism and liberalization
 - 11 Open-economy macroeconomics
Balance of payments, exchange rates, expenditure changing policy and expenditure switching policy
 - 12 Recent developments in economic theory
New institutional economics, political economy, transaction cost economics

Recommended Readings

- 1 Mankiw, N. Gregory (2020). Principles of Macroeconomics, 9th Edition, South Western, Cengage Learning.
- 2 Case, Karl E., Fair, Ray C., and Oster, Sharon C. (2020). Principles of Macroeconomics, 13/E, Prentice Hall