

Course Code: ECON 102**Course Title: Principles of Macroeconomics****Course Type (GED/Core/Elective):** Core**Year/Level/Semester/Term:** 1st Year**Academic Session:** 2021-22 & 2022-23**Course Teacher/ Instructor:****Pre-requisite (if any):** None**Credit Value:** 04**Contract Hours:** 60

Course Rationale: The macroeconomic indicators of a country represent the mirror image of the health of its economy. Understanding the dynamics of the national economy is the key to appropriate decision-making by the educationists as well as the practitioners. Government macroeconomic policy changes have consequences for people from all walks of life. This course deals with the basic concepts of macroeconomics.

Course Objective: The purpose of this course is to provide an analysis of the economy as a whole. The topics include the measurement of national income, inflation, unemployment, economic growth, business cycles, and fiscal policy and monetary policy. The fundamental objective is to acquaint students with the basic concepts through verbal interpretations and graphical analysis.

Course Learning Outcomes: After successful completion of the course, students will be able to:

1. differentiate between micro-variables and macro-variables;
2. understand the meaning and components of the National Income Accounts, especially GDP;
3. understand the meaning of unemployment and inflation and their effects on economy;
4. understand the meaning of the business cycle and its phases; and
5. understand Aggregate Supply and Aggregate Demand in closed and open economy
6. know the various sources of macroeconomic data

CLOs Mapped to PLOs

CLO/PLO	PLO1	PLO2	PLO3	PLO4	PLO5	PLO6	PLO7	PLO8	PLO9
CLO1	3	3	3	3	3	3	3	0	3
CLO2	3	3	3	3	3	3	3	0	3
CLO3	3	3	3	3	3	3	3	0	3
CLO4	3	3	3	3	3	3	3	0	3
CLO5	3	3	3	3	3	3	3	0	3
CLO6	3	3	3	3	3	3	3	1	3

Course Contents

Topic	Content Summary	Teaching Strategies/Tools	In-Class Assessment	#Class Hours	CLOs
1	What is Macroeconomics: Macroeconomics vs. Microeconomics – Differences in approaches, methods and scope; Why study macroeconomics; Macroeconomic issues in the short- and long run; A Brief history of macroeconomics; The macroeconomic facts of Bangladesh.	Strategies: Verbal exposition Tools: Books; Handouts; Multimedia; Online resources	Q&As Quizzes Homework Assignments Presentations Tutorials	6	1
2	Important Macroeconomic Variables - Concepts and Measurement: Aggregate economic activity; The circular flow of income and expenditure; GDP, GNP, NI and other derived measures; GDP identities; Real vs. nominal GDP; Estimation of GDP;	Strategies: Verbal and graphical exposition; Problems solving Tools: As above	As above	6	2

	Problems of measurement; GDP and welfare; Inflation; Price level measurement - CPI, PPI, GDP Deflator; Construction of price indices; The index number problem; Unemployment; Labor force participation.				
3	Introduction to the Classical Model: Basic tenets of the classical model; Say's law and the quantity theory of money; The notion of full-employment; Real vs. nominal wages; The classical theory of production and employment.	Strategies: Verbal and graphical exposition Tools: As above	As above	8	3, 5
4	Simple Keynesian Model: Key Keynesian propositions; Inherent instability of the market economy; Policy implications; A two-sector model of income determination; A simplified circular flow; National income identity; Equilibrium national income; Investment multiplier; Endogenous investment and government expenditure; Extended model; Tax and government expenditure multipliers; Balanced budget multiplier; Important identities.	Strategies: Verbal, graphical and mathematical exposition; Tools: As above	As above	8	3, 5
5	Unemployment: Meaning and measurement of unemployment; Types of unemployment; The costs of unemployment; Okun's law; Unemployment in Bangladesh;	Strategies: Verbal exposition Tools: As above	As above	8	3
6	Inflation: Meaning, types and costs of inflation; Is inflation necessarily bad; Demand-pull and cost-push inflation; Inflation in Bangladesh, The unemployment-inflation trade-off: the Phillips curve.	As above	As above	8	3
7	The Monetary System: Definition, functions, and types of money; Components of money supply, Banks and money supply, Monetary policy.	As above	As above	4	5
8	Open Economy macroeconomics: Basic Concepts: Export, Imports and Net export; Net foreign investment; Exchange rate, nominal and real, Purchasing power parity, Exchange rate system – fixed and floating.	As above	As above	8	5

Class Schedule:

Lesson Plan

Week(s)	Topic(s)	#Classes	CLO(s)	Remarks
1 – 3	1	1 – 6	1	
4 – 6	2	7 – 12	2	
7 – 10	3	13 – 20	3, 5	Class Test 1: (Topics 1 & 2) 13th Class
11 – 14	4	21 – 28	3, 5	
15 – 18	5	29 – 36	3	Class Test 2: (Topics 3 & 4) 29th Class
19 – 22	6	37 – 44	3	
23 – 24	7	45 – 48	5	Class Test 3: (Topics 5 & 6) 45th Class
25 – 28	8	45 - 48	5	
29 – 30	1 - 8	57 – 60		Review

Overall Evaluation Policy:

a. Continuous Internal Evaluation (CIE): Marks - 00

b. Year-End Examination (YEE): Marks - 100

Bloom's Category	Marks (100)
Remember	30
Understand	20
Apply	20
Analyze	10
Evaluate	10
Create	10

c. Grading Scheme: As in Section 19

Policy for Make-Up Classes:

- Utilize the open slots in consultation with students
- Swap classes with colleagues

Basic Texts

1. Mankiw, N. G. (2017). *Principles of Macroeconomics* (8th ed.). Cengage Learning.
2. Mankiw, N. G. (2017). *Principles of Economics* (8th ed.). Cengage Learning.

Recommended References

1. Bangladesh Bureau of Statistics. *Bangladesh Statistical Yearbook* (Various issues).
2. Baumol, W. J., & Blinder A. S. (2010). *Economics: Principles and Policy* (11th ed.). Mason, Ohio: South-Western College Pub.
3. Samuelson, P. A., & Nordhaus, W. (2009). *Economics* (19th ed.). Boston, Ma: McGraw-Hill.

Other Resources

- Online video lectures
- Course-packs
- Handouts