

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

Bloom's Category	Marks (100)
Remember	20
Understand	30
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. Browning, E. K., & Zupan, M. A. (2014). *Microeconomics: Theory and Applications* (12th ed.). Wiley.
2. Koutsoyiannis, A. (2005). *Modern Microeconomics* (2nd ed.). Palgrave Macmillan.

Recommended References

1. Hirshleifer, J., Glazer, A., & Hirshleifer, D. (2012). *Price Theory and Applications: Decisions, Markets, and Information* (7th ed.). Cambridge University Press.
2. Islam, M. S. (2015). *Microeconomics with Simple Mathematics*. UGC.
3. Varian, H. R. (2020). *Intermediate Microeconomics: A Modern Approach*. New York: W.W. Norton and Company.
4. দে, হ. কা. *ব্যষ্টিক অর্থনীতি: তত্ত্ব ও প্রয়োগ*. গ্রামীণ অর্থনীতি কর্মসূচী, অর্থনীতি বিভাগ, চট্টগ্রাম বিশ্ববিদ্যালয়.

Other Resources

- Online video lectures
- Course-packs
- Handouts

Course Code: ECON 202

Course Title: Macroeconomic Theory I

Course Type (GED/Core/Elective): Core

Year/Level/Semester/Term: 2nd Year

Academic Session: 2022-23 & 2023-24

Course Teacher/Instructor:

Pre-requisite (if any): ECON 101, ECON 102

Credit Hours: 04

Contact Hours: 60

Course Rationale: This course goes beyond the basic conceptualization of the macroeconomic terms in order to introduce the contentions of the Classical and Keynesian schools on the issues of product-, labor- and money market dynamics. An understanding of the complete Classical and Keynesian macroeconomic models provides the building blocks of the theories of growth and development which the students need to take up at the higher stages.

Course Objective: This course primarily aims to provide students with a solid understanding of the macroeconomic models as put forth by the Classical and the Keynesian economists. It also encourages students to learn the monetary-fiscal policy debate by way of examining the effects of the changes in the fiscal and monetary policy variables. Further, the course deals with the components of aggregate demand and their determinants.

Course Learning Outcomes: On successful completion of this course, student should be able to:

1. understand the Classical and Keynesian macroeconomic models;
2. acquire analytical skills for examining the fiscal and monetary policy changes;
3. understand the labor market dynamics including sticky wages;
4. understand the determinants of aggregate consumption and investment behavior and government expenditure; and
5. understand the causes and effects of inflation and unemployment.
6. get an idea about empirical macroeconomic facts

CLOs Mapped to PLOs

CLO/PLO	PLO1	PLO2	PLO3	PLO4	PLO5	PLO6	PLO7	PLO8	PLO9
CLO1	3	3	1	2	2			2	
CLO 2	3	3	2	2	2			2	
CLO 3	3	3	1	1	2	1		1	
CLO 4	3	3	2	2	1	1		1	
CLO 5	3	3	2	2	2	1		1	
CLO 6	3	2	1	2	1	1	1	2	3

Course Contents

Topic	Content Summary	Teaching Strategies/Tools	In-Class Assessment	#Class Hours	CLOs
1	Time Horizons in Macroeconomics: The short run, the long run and the very long run - Implications for price level - Aggregate demand and aggregate supply, an overview of important macroeconomic concepts, issues and data.	Strategies: Verbal and graphical exposition Tools: Books; Handouts; Multimedia; Online resources	Q&As Quizzes Homework Assignments Presentations Tutorials	4	1, 6
2	Short-run Fluctuation in Economic Activity: The business cycles;- Potential vs. actual GDP; The business cycle; Output gap; Business cycle, output gap and inflation; Understanding the business cycle and output gap in Bangladesh.	As above	As above	4	1, 6
3	The ‘Old’ Classical Model: Key propositions about output, employment, prices and other macroeconomic variables; Key relationships and elaboration; employment and output; Aggregate production function; Labor market; Real and nominal wages; Say’s law; Quantity theory of money; Saving and investment: rate of interest; Decomposition of aggregate output among major income classes; The product market; Aggregate supply and the price level; Long-run neutrality of money; Classical dichotomy.	As above	As above	6	1, 3
4	The Keynesian Model, Neoclassical Synthesis and its Critics A. Determinants of the demand for money; Product and money market equilibrium; Derivation of IS and LM curves; Shifts in IS and LM curves; Simultaneous equilibrium in product and money markets; Fiscal and monetary policy effects on income and interest rate; Derivation of the AD curve;	As above	As above	10	1, 2

	Fiscal and monetary policy effects on aggregate output.				
	B. Derivation of the aggregate supply (AS) curve; Aggregate supply and equilibrium income: Wage rate, interest rate and employment; The Underemployment equilibrium: Comparison with the Classical model; Fiscal and monetary policy effects.	As above	As above	8	1, 2, 3
5	Components of Aggregate Demand – Behavioral Foundation				
	A. Consumption: Consumption vs. consumer expenditure; The Short-run and long-run consumption functions – The Absolute Income Hypothesis of consumption; Empirical support for the Absolute Income Hypothesis – Consumption Puzzle, Life-cycle and permanent income hypothesis; Relative income hypothesis – Demonstration effect and Ratchet effect; Determinants of consumption.	As above	As above	6	4
	B. Investment: Business fixed investment; Rental price of capital; Cost of capital; Determinants of investment; Taxes and investment; Residential investment; Stock equilibrium and flow Supply; Changes in housing demand; The tax treatment of housing; Inventory investment; Reasons for holding inventories; The accelerator model; Inventories and interest rate; Investment decisions: PV, IRR and MEC criteria.	As above	As above	6	4
	C. Government Spending: The role of Government in the economy; National debt; The burden of national debt.	As above	As above	4	4
6	Inflation: Anti-inflationary measures; Inflationary gap; Inflation and interest rates; The Fisher effect; Deflation; Adverse supply shock; Stagflation; Supply-side measures.	As above	As above	4	3
7	Sticky Wages: Concept; Reasons for sticky wages: minimum wage laws, Efficiency wages, trade union pressure.	As above	As above	4	5

Class Schedule:

Lesson Plan

Week(s)	Topic(s)	#Classes	CLOs	Remarks
1 – 2	1	1 – 4	1, 6	
3 – 4	2	5 – 8	1, 6	
5 – 7	3	9 – 14	1, 3	<i>Class Test 1: (Topics 1 - 2) 9th Class</i>
8 – 16	4	15 – 32	1, 2, 3	<i>Class Test 1: (Topics 1 - 2) 15th Class</i>
17 – 24	5	33 – 48	4	<i>Class Test 2: (Topic 3- 4) 33rd Class)</i>
25 – 26	6	49 – 52	3	<i>Class Test 3: (Topic 5) 49th Class</i>
27 – 28	7	53 – 56	5	<i>Class Test 3: (Topics 5 - 6) 53rd Class</i>
29 – 30	1 - 7	57 – 60		<i>Review</i>

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 Text

Dornbusch, R., Fischer, S., & Startz, R. (2018). *Macroeconomics* (13th ed.). New York: McGraw Hill Education.

Recommended References

- 3. Bangladesh Bureau of Statistics (Different years). Bangladesh Statistical Yearbook (Various issues).
- 1. Blanchard, O. (2021). *Macroeconomics* (8th ed.). Pearson.
- 2. Mankiw, N. G. (2018). *Macroeconomics* 10th ed.). Worth Publishers.

Other Resources

- Online video lectures
- Course-packs
- Handouts

Course Code: ECON 203	Course Title: Research Methodology
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Course Type (GED/ Core/ Elective): Core

Year/Level/Semester/ Term: 2nd Year

Academic Session: 2022-23 & 2023-24

Course Teacher/Instructor:

Pre-requisite (if any): ECON 104

Credit Hours: 04

Contact Hours: 60

Course Rationale: Economic professionals are often required to undertake qualitative and quantitative research. As such, a good understanding of research methodology and methods in economics and other social sciences is imperative. This course contains the core of research methodology for both quantitative and qualitative research in Social Sciences.

Course Objective: The main aim of this course is to impart the basic concepts of research, research methods and methodology to the students. It attempts prepare students with clear understanding of the meaning of scientific research, the research design, the sampling frame and the various types of data collection techniques.