

Antalya Bilim University
Department of Economics, ECON 102
Principles of Macroeconomics

In fall term's lecture of Introduction to Economics I, you have learned how firms and individuals make decisions. But who makes the decisions that govern how much you pay in taxes? Who makes the decisions about how much interest you pay on your home, car or credit card loans? What happens to the economy after crisis? By the time we finish this course, you will have an understanding of the answers to these and other important questions about your economy. This will make you a more informed citizen. This course provides an overview of the principles of macroeconomics. It will describe the economic factors that can lead to a better standard of living and explain the causes of recession, unemployment and inflation. We will examine how policy choices can provide remedies to these problems. This lecture is going to make you learn the objectives through the development of analytical skills for understanding the macroeconomic environment in which firms operate and preparation for lifelong learning through the ability to apply abstract concepts.

Course book:

Principles of Economics (12nd Edition)

Authors: Karl E. Case, Ray C. Fair, Sharon E. Oster, (Harlow: Pearson, 2017).

Students are responsible to get a hard copy of the course book.

Recommended readings:

Additional reading material will be provided.

Developing Graduate Attributes

Upon successful completion of the course, the student should be able to demonstrate a basic understanding of news relating to the economy as a whole as reported in publications such as newspapers' economics related pages; the economic implications of changes in government fiscal or monetary policy; how interest rates are determined and the role of interest rates in personal and corporate decision-making; and critically apply economic concepts when participating as a citizen in a democratic society.

In particular, the students should be able to calculate equilibrium national income levels, calculate and use various multipliers, convert nominal values to real values, and use a graph to explain the impact of changes in fiscal and/or monetary policy on income and price levels. In addition, students should be able to use simple models of international trade to study the flow of goods between countries and discuss the costs of protectionism within the context of such models.

Important Issues about the Course

a) Preparation

“By failing to prepare, you are preparing to fail.” (Benjamin Franklin)

I expect from you to work regularly and to behave in an ethically correct way during the classes. Before coming to the classes, all of you should have read the subject indicated in the syllabus for that class date.

b) Class Attendance and Participation

Class attendance and participation are important in order to be successful in this course. It is a well known fact that participation to class discussions is very important in learning process so all of you are encouraged to participate the discussions and to ask questions during the class. All of you should be aware that this course is going to build the base of the following courses of the following years so the success in this course can be a determinant of your overall success in this department.

c) Midterm and Final Exams

The grades taken from midterm and final exams will be evaluated as 40% and 60% respectively. For the midterm exam, you will be responsible for all class material covered until the exam. The final exam is cumulative and will focus on all units and topics studied throughout the course, but emphasis will be on the subjects after midterm. The exams will be multiple choice questions. Sufficient overall grade to pass is 50 out of 100.

Course Schedule

WEEK 1 (10-14 Feb) Introduction to Macroeconomics

WEEK 2(17-21 Feb) Measuring National Output and National Income

WEEK 3 (24-28 Feb) Unemployment, Inflation and Long Run Growth

WEEK 4 (2-6 Mar) Aggregate Expenditure and Equilibrium Output

WEEK 5 (9-13 Mar) The Government and Fiscal Policy

WEEK 6 (16-20 Mar) Money Supply and Central Bank

WEEK 7 (23 Oct-27 Mar) Money Demand and Equilibrium Interest Rate

WEEK 8 (30 Mar-3 Apr) Midterm Exam

WEEK 9 (6-10 Apr) Aggregate Demand in Goods and Money Markets

WEEK 10 (13-17 Apr) Aggregate Supply and the Equilibrium Price Level

Authors: Karl E. Case, Ray C. Fair, Sharon E. Oster Chapter

WEEK 11 (20-24 Apr) The Labor Market in the Macroeconomics

WEEK 12 (27 Apr-1 May) Household and Firm Behavior in the Macroeconomy: A Further Look

WEEK 13 (4-8 May) Debates in Macroeconomics: Monetarism, New Classical Theory and Supply Side Economics

WEEK 14 (11-15 May) International Trade, Comparative Advantages and Protectionism