

Course Unit Title	Introductory Macroeconomics		
Course Unit Code	QSB250		
Type of course unit	Compulsory		
Level of course unit	Bachelor (1 st Cycle)		
Year of Study	2		
Semester when the unit is delivered	4 (Spring)		
Number of ECTS credits allocated	5		
Name of lecturer(s)	Dr. Petia Tanova, Dr. Bernard Musyck		
Learning Outcomes of the course unit	<p>By the end of the course, the students should be able to:</p> <ol style="list-style-type: none"> 1. Identify the key concepts of macroeconomics, the objectives and instruments of macroeconomic analysis. 2. Realize the institutional constraints of economic activity and the potential output and the natural rate of unemployment. 3. Analyze outcomes of economic activity: Gross Domestic Product, real and nominal GDP, price indexes and employment and unemployment. 4. Compare and contrast different approaches to measuring GDP 5. Assess GDP shortcomings as a measure of living standards 6. Identify and quantify aggregate expenditures; analyze their determinants and apply them in problem solving 7. Integrate concepts of macroeconomic equilibrium and appraise its dynamics analytically and graphically 8. Derive the simple and the complete multiplier and interpret its constraints. 9. Evaluate business fluctuations and apply the theory of business cycle to the analysis of the current economic dynamics. 10. Define and categorize the types of fiscal policy and debate their controversies 11. Discuss the meaning and significance of the budget deficit and government debt 		
Mode of Delivery	Face-to-face		
Prerequisites	NONE	Co-requisites	NONE
Recommended optional program components	NONE		
Course Contents	<p><i>I. Introduction to macroeconomics.</i> Objectives of macroeconomic analysis. Main macroeconomic variables: output, employment, price level. Institutional constraints of economic activity, potential output and natural rate of unemployment. Employment vs. unemployment. Measuring the rate of unemployment and the rate of employment. Aggregate supply and aggregate demand</p> <p><i>II. Measuring macroeconomic activity</i> Identifying GDP: final goods vs. intermediate goods; value added. The circular flow and three approaches to measuring GDP: the value added approach, the expenditure approach and the income approach. The expenditure approach. Economic decision makers and their spending. The Income approach. Primary income vs. final income. Factor payments vs. transfer payments. Income approach vs. expenditure approach. NDP and domestic income. Personal income and disposable income. GDP deflator: real vs. nominal GDP. The rate of inflation. GDP shortcomings as a measure of living standards.</p>		

	<p>III. Aggregate expenditures Consumption spending: consumption function and consumption curve. Factors, determining the slope of the consumption curve and factors, determining its position. The savings function. Gross private investment demand – definition, components and determinants. Government spending. The import's function.</p> <p>IV. The dynamics of macroeconomic equilibrium Macroeconomic equilibrium: $AE = Y$ and its graphical interpretation. Planned vs. actual spending and disequilibrium. The role of inventories. Injections and leakages. The equilibrium condition: Injections = Leakages. The simple multiplier. The complete multiplier and its constraints. Macroeconomic fluctuations and the business cycle. Business cycle indicators. Analysis of the recent business cycle.</p> <p>V. Fiscal policy Definition and typology. Goals and instruments of fiscal policy. The government budget. Deficits and surpluses. The demand side fiscal policy: determinants and effectiveness. The budget multiplier. Austerity policy and its controversies. Supply side fiscal policy and its constraints. Empirical evidence of the effectiveness of fiscal policy.</p>								
Recommended and/or required reading:									
Textbooks	<ul style="list-style-type: none"> Samuelson & Nordhaus, Economics, McGraw Hill, 19th edition Parkin M., M. Powell and K. Matthews. Economics, Pearson, 9th edition 								
References	<ul style="list-style-type: none"> Crystal A. & R. Lipsey. Economics, Oxford University Press, 13th edition, Slooman J, A. Wride and D. Garratt. Economics. 8th edition 								
Planned learning activities and teaching methods	<p><i>Ex cathedra</i> lectures and discussions in class, by means of traditional tools or using computer demonstrations. Some of the key issues are revealed on the basis of simulation games.</p> <p>Auditory exercises, where examples regarding matter represented at the lectures, are solved and further, questions related to particular open-ended topic issues are compiled by the students and answered, during the lecture or assigned as homework.</p> <p>Topic notes are compiled by students, during the lecture which serve to cover the main issues under consideration and can also be downloaded from the lecturer's webpage. Tutorial problems are also submitted as homework and these are solved during lectures or privately during lecturer's office hours. Further literature search is encouraged by assigning students to identify a specific problem related to some issue, gather relevant scientific information about how others have addressed the problem and report this information in written or orally.</p>								
Assessment methods and criteria	<table> <tr> <td>2 Quizzes</td> <td>10%</td> </tr> <tr> <td>Mid-term</td> <td>10%</td> </tr> <tr> <td>Homework assignments and participation</td> <td>10%</td> </tr> <tr> <td>Final Exam</td> <td>60%</td> </tr> </table>	2 Quizzes	10%	Mid-term	10%	Homework assignments and participation	10%	Final Exam	60%
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Language of instruction	English								
Work placement(s)	NO								