



FORMAN CHRISTIAN COLLEGE

Course Name: Intermediate Macroeconomics		
Course Code: ECON-202	Course Type (major)	Course Credits: 3
		Student Meeting Hours/ Office Hours: Monday to Friday 10 AM – 11 AM
Instructor Name: Dr.Talah Numan Khan		
Instructor Contact Details Email: talakhkhan@fccollege.edu.pk Mobile: +92 3005313238		
Course Description: Classical and Keynesian economic theories and policies, derivation of AD and AS models and their implications for stabilization policies, short term and long term inflation-unemployment relationship, consumption and investment theories, economic growth, growth accounting and convergence.		
Main Mode of Instruction: <i>(Class Lectures, Moodle and Zoom)</i> Technology Requirements Have internet excess and Should be familiar with Moodle, Zoom and WhatsApp.		
COURSE OBJECTIVES This course is designed to help the students to understand what goes on in the real world and how economics can be used as a tool to make life better. It is really exciting to use macroeconomics concepts outside of the class and to analyze public policy alternatives. This course is helpful in developing problem solving, analytical, and evaluative skills. This is an intermediate level core course towards the major in economics. It provides a stable ladder to future courses.		
LEARNING OUTCOMES By the end of the course the students should be able to <ul style="list-style-type: none">➤ Analyze goods market, money market, bonds market, and labor market and their interaction with one another.➤ Analyze the Growth theories: The economy in the long run➤ Differentiate various theories of consumption and investments		

- Compare the classical and Keynesian models and their implications on inflation, unemployment, and economic growth
- Apply the IS-LM and AD-AS apparatus in a variety of real-life situations to solve the problems.
- Compare the small and large open economies in the context of exchange rate determinations.
- Analyze the economic fluctuations and behavior of macroeconomic variables.
- Evaluate different policy options regarding inflation, unemployment, and economic growth.

COURSE MATERIAL

Mankiw, N. Gregory, *Macroeconomics*, 9th Edition, Worth Publishers or Indian Edition, Cengage Learning

Supplementary Readings

- *Macroeconomics*, 7th edition by Andrew B. Abel and Ben S. Bernanke , Pearson/Addison-Wesley 2005
- *Macroeconomics*, 10th Edition by Rudiger Dornbusch, Stanley Fischer and Richard Startz, McGraw-Hill Publishers
- *Readings in introductory Macroeconomics* (1989-1990 edition) edited by Peter D McClelland, McGraw-Hill Publishing Company

Web Resources:

www.sbp.govt.com

www.statpak.gov.pk

<http://data.worldbank.org/data-catalog/world-development-indicators>

www.finance.gov.pk

www.pide.org.pk

<http://www.ead.gov.pk>

<http://www.commerce.gov.pk>

GRADING BREAKUP

Quizzes**	20%
Assignments	15%
Class Activity/Homework	10 %
Midterm	25%
Final	30%

There will be no MAKEUP quizzes, assignments and class activities and Mid Term Exam.

Course Requirements & Important things to know:

- Students are required to watch/listen to online lectures and do relevant readings. They are also required to watch online videos as instructed.
 - **Due Dates:**
 - All assignments are to be submitted on the due date.
 - Late activities will not be graded, unless previous accommodations have been made. In case of any other limitations (internet), inform prior to the deadline.
 - **Academic Honesty:**
 - All work that you submit in this course must be your own.
 - Unauthorized group efforts are considered academic dishonesty.
 - You may discuss homework (Assignments) in a general way with others, but you may not consult anyone else's written work.

- You are guilty of academic dishonesty if you examine another's solution, allow (actively or passively) another student to examine your solution, or you copy from the Internet without complete understanding of what you have done. University policy of plagiarism will be applicable in the case.

All cases no matter how trivial they are will be reported to Academic Integrity Committee (AIC) of FCCU. Cheating or violation of academic integrity in any exam will cause F grade.

Assessment:

- Quizzes:**

- After every three week, there will be a quiz of the three weeks lectures covered in class.
- Quizzes and tests (not practice questions) have a set time limit. Once you begin a test or quiz, you must finish it within the time limit shown. Once time expires, you will not be able to continue. It is essential that due dates and time limits be observed. Once time expired, you will not be able to complete an assignment and a grade cannot be assigned. There will be no substitute or additional credit assignments offered during or at the conclusion of the course.

- Assignments:**

- There will be a total of four assignments. Students will be notified about it on Moodle/email and will be required to submit them by the deadline.

- Attendance:**

- As per FCCU students book.

Grading Legend

Below is the grading legend of FCCU (published in all catalogues and available on the FCCU website) as approved by the Academic Council and applies for Fall as well

Grade	Point Value	Numerical Value	Meaning
A	4.00	93-100	Superior
A-	3.70	90-92	
B+	3.30	87-89	Good
B	3.00	83-86	
B-	2.70	80-82	
C+	2.30	77-79	Satisfactory
C	2.00	73-76	
C-	1.70	70-72	
D+	1.30	67-69	Passing
D	1.00	60-66	

F	0.00	59 or below	Failing
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WK	Course Objectives	Topics	Instructional Material	Assessment & Rubrics	Teaching Learning Activities
1	Analyze goods market, money market, bonds market, and labor market and their interaction with one another.	The Science of Macroeconomics (Background Reading on your own) The Data of Macroeconomics (Background Reading on your own) National Income – Where it Comes from and Where it goes – Discussion in class	Reading chapter 1,2 and 3 (pg. 1-80)	Assignment 1 should be submitted in end of third week	Lecture/ class activity/Group discussion
2	Analyze goods market, money market, bonds market, and labor market and their interaction with one another.	The Science of Macroeconomics (Background Reading on your own) The Data of Macroeconomics (Background Reading on your own) National Income – Where it Comes from and Where it goes – Discussion in class	Reading chapter 1,2 and 3 (pg. 1-80)	Class activity 1	Lecture/ class activity/Group discussion
3	Compare the small and large open economies in the context of exchange rate determinations.	<u>The Open Economy.</u> International flow of capital and goods, saving and investment in a small open economy. Exchange rates.	Ch.6 (pg.138-181)	Assignment 1 should be submitted in end of third week	Lecture/ class activity/Group discussion
4	Analyze the Growth theories: The economy in the long run	<u>Growth Theory: The Economy in the Very Long Run:</u> The accumulation of capital, the Golden Rule level of capital, Population growth	CH.8 (pp.211-239)	Assignment 2 should be submitted in end of 7 th	Lecture/ class activity/Group discussion
5	Analyze the Growth theories: The economy in the long run	<u>Growth Theory: The Economy in the Very Long Run:</u> The accumulation of capital, the Golden Rule level of capital, Population growth	CH.8 (pp.211-239)	Quiz-1	Lecture/ class activity/Group discussion
6	Analyze the Growth theories: The economy in the long run	<u>Economic Growth II: Technology, empirics and Policy</u> Technological progress in the Solow model, from growth theory to growth empirics, policies to promote growth.	Ch 9 (pg. 241-279)	Homework-1	Lecture/ class activity/Group discussion

7	Analyze the Growth theories: The economy in the long run	<u>Economic Growth II: Technology, empirics and Policy</u> Technological progress in the Solow model, from growth theory to growth empirics, policies to promote growth.	Ch 9 (pg. 241-279)	Assignment 2 should be submitted in end of 7 th	Lecture/ class activity/Group discussion
8	Analyze the economic fluctuations and behavior of macroeconomic variables.	<u>Introduction to Economic Fluctuations</u> The facts about business cycle, time horizon in macroeconomics, AD-AS and stabilization policy.	Ch 10 (pg. 281-309)	Class Activity-2	Lecture/ class activity/Group discussion

MID TERM EXAM

9	Compare the classical and Keynesian models and their implications on inflation, unemployment, and economic growth	<u>Aggregate Demand I: Building the IS-LM Model</u> The Goods market and the IS curve, the money market and the LM curve, the short run equilibrium.	Ch 11 (pg. 311-336)	Assignment 3 should be submitted in end of 15 th week	Lecture/ class activity/Group discussion
10	Apply the IS-LM and AD-AS apparatus in a variety of real-life situations to solve the problems.	<u>Aggregate Demand II: Applying the IS-LM Model</u> Explaining fluctuations with IS-LM model, IS-LM as the theory of aggregate demand, The great depression, the financial crisis and Great Recession.	Ch 12 (pg. 337-365)	Homework-2	Lecture/ class activity/Group discussion
11	Compare the small and large open economies in the context of exchange rate determinations.	<u>The Open Economy Revisited: The Mundell-Fleming Model and the Exchange Rate Regime:</u> The Mundell-Fleming Model, The Small Open economy Under Floating ER regime, The small open economy under Fixed ER Regime,	Chap 13 (pp. 367-408)	Class activity 2	Lecture/ class activity/Group discussion
12	Compare the small and large open economies in the context of exchange rate determinations.	<u>The Open Economy Revisited: The Mundell-Fleming Model and the Exchange Rate Regime:</u> The Mundell-Fleming Model, The Small Open economy Under Floating ER regime, The small open economy under Fixed ER Regime	Chap 13 (pp. 367-408)	Quiz-2	Lecture/ class activity/Group discussion
13	Evaluate different policy options regarding inflation, unemployment, and economic growth.	<u>Aggregate Supply and the Short-Run trade-off between inflation and unemployment</u> The basic theory of aggregate supply, inflation, unemployment and the Phillips Curve	Chap 14(pp. 409-438)	Home-3	Lecture/ class activity/Group discussion

14	Evaluate different policy options regarding inflation, unemployment, and economic growth.	A Dynamic Model of Economic Fluctuations	Chap 15(pp. 439-473)	Class activity-3	Lecture/ class activity/Group discussion
15	Differentiate various theories of consumption and investments	<u>Understanding Consumer Behavior</u> Keynes and consumption function, Irving Fisher and Inter-temporal choice, Modigliani and life cycle hypothesis, Friedman and the permanent Income Hypothesis, Robert Hall and Random Walk Hypothesis	Chap 16(pp. 475-505)	Assignment 3 should be submitted in end of 15 th week	Lecture/ class activity/Group discussion
16	Differentiate various theories of consumption and investments	<u>The Theory of Investment</u> Business fixed investment, Residential Investment, Inventory Investment	Chap 17 (pp. 506-529)	Quiz-3	Lecture/ class activity/Group discussion