

## **ECO 102b – Principles of Macroeconomics**

**Spring 2010**

Department of Economics

American University in Bulgaria

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Coursepage: <http://www.geraldpech.net/lectures/eco102>

Publisher's website: [http://www.cengage.co.uk/mankiw\\_taylor/students/](http://www.cengage.co.uk/mankiw_taylor/students/)

dot.LRN site ECO 102ab – Principles of Macroeconomics Forum

### **Class times:**

102B	Monday/Thursday 16:00-17:15	NAB 201
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**Office Hours:** Monday 14:45 – 15:45 and Tuesday 16:30 – 17:30.

### **Course Description:**

The purpose of the course is to introduce students to the basic ideas of modern economics. The focus is on the functioning of the economy as a whole rather than the behavior of individual economic units such as households and firms.

The module aims at

- Knowing key concepts and definitions of the national accounts.
- Understanding the determinants of a nation's economic well-being.
- Appreciating the role of money and financial markets in a modern economy.
- Gaining some basic insight in the functioning of an open economy.
- Understanding the effects of fiscal and monetary policies.

### **Learning outcomes:**

- Knowing the definitions of categories for different measures of income.
- Being familiar with various measures of inflation.
- Knowing the determinants of economic growth.
- Appreciating the role financial markets for the allocation of savings.
- Understanding the role of money markets and the causes of inflation.
- Being familiar with basic concepts of open-economy macroeconomics.
- Being able to apply aggregate demand and supply analysis to policy questions.
- Understanding the trade off between inflation and unemployment.

**Textbook:**

- Mankiw, G.N., Taylor, M.P., Economics, Thomson 2006

**Attendance:**

I will take attendance at the beginning of each class. Whilst a single absence will not affect the overall grade, an emerging pattern of failure to attend class may lead to a subtraction of up to 5 points from the final mark.

**Review and preparation:**

Ideally, you want to read each textbook chapter before it is covered in class. After completing a chapter, you should do the review questions and problems at the end of the book chapter and the multiple choice self-assessment questions on the publisher's website ([http://www.cengage.co.uk/mankiw\\_taylor/students/mcqs.htm](http://www.cengage.co.uk/mankiw_taylor/students/mcqs.htm)). I will also post the problem sheets at the dot.LRN-site. To give an incentive to actually do the multiple choice questions, the unannounced quizzes will be based on them.

**Assessment:**

## I. Continuous Assessment:

Two out of three quizzes	10 %
Two assignments	10 %
Midterm	40 %

## II. Final Examination: 40 %

The unannounced quizzes will be based on the multiple-choice questions from the publisher's website. Exams cover what we have done in class. The midterm exam is scheduled for one full hour and the final exam for two hours. The final exam is comprehensive. Assignments are due on 18 February and 15 April. Those will prepare for the following exam.

Grades are not going to be determined according to a fixed scheme. However, an overall score of around 90 is likely to give you an A. A mark of 50 or more will guarantee that you pass the course.

**Academic Honesty:**

See student handbook. Whilst cooperation in preparing for classes and exams is encouraged, do not try to cooperate during the exams and quizzes! Any attempt at cheating will result in zero marks for the exam or quiz that you are sitting. All exams are closed book exams.

**Course Outline:**

week 1	18-Jan	1. Introduction	Chpt 1, 2	
	21-Jan	Introduction	"	
week 2	25-Jan	2. Measuring a Nation's Income	Chpt 23	
	28-Jan	Measuring a Nation's Income	"	
week 3	01-Feb	3. Measuring the Cost of Living	Chpt 24	
	04-Feb	Measuring the cost of Living	"	
week 4	08-Feb	4. Production and Growth	Chpt 25	
	11-Feb	Production and Growth	"	
week 5	15-Feb	5. Saving, Investment and the Financial System	Chpt 26	
	18-Feb	Saving, Investment and the Financial System	"	<b>Assign 1</b>
week 6	22-Feb	Revision		
	25-Feb	<b>Midterm Exam</b>		
week 7	08-Mar	6. The Monetary System	Chpt 29	
	11-Mar	The Monetary System	"	
week 8	15-Mar	7. Money Growth and Inflation	Chpt 30	
	18-Mar	Money Growth and Inflation	"	
week 9	22-Mar	8. Open-Economy Macroeconomics: Concepts	Chpt 31	
	25-Mar	Open-Economy Macroeconomics: Concepts	"	
week 10	29-Mar	9. Open-Economy Macroeconomics: Theory	---	
	01-Apr	Open-Economy Macroeconomics: Theory	---	
week 11	05-Apr	10. Easter Monday		
	08-Apr	Aggregate Demand and Aggregate Supply	Chpt 33	
week 12	13-Apr	11. Aggregate Demand and Aggregate Supply	"	
	15-Apr	Monetary and Fiscal Policy	Chpt 34	<b>Assign 2</b>
week 13	20-Apr	Monetary and Fiscal Policy	"	
	22-Apr	12. Short-Run Unemployment/Inflation trade off	Chpt 35	
week 14	27-Apr	Short-Run Unemployment/Inflation trade off	"	
	30-Apr	Revision		

**Disclaimer:** This syllabus may be subject to pre-announced changes.