

AGE-863	<u>Macroeconomic Theory</u>	3(3-0)
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**Course Objectives:** Fundamental economic ideas and the operation of the economy on a national scale. Production, distribution and consumption of goods and services, the exchange process, the role of government, the national income and its distribution, GDP, consumption function, savings function, investment spending, the multiplier principle and the influence of government spending on income and output. Analysis of monetary policy, including the banking system and the Federal Reserve System

**Course Contents:**

Macro-economic foundation; Major macroeconomic puzzles; National income accounting-different approaches; Aggregate demand and supply analysis (In terms of monetary and real sectors; as well as wages, prices and employment); The interplay of monetary and fiscal policies in stabilizing the economy; IS-LM model of macroeconomic analysis; Consumption, saving, investment and theory of income determination. Level of investment, interest and money; Demand for money; Money and credit, stabilization policy; Economic growth, Macroeconomic dynamics; Inflation, unemployment, budget deficit and public debt; International adjustment and interdependence; Business cycle.

**Suggested Readings**

1. Dornbush, R. and S. Fischer. 2010. Macroeconomics. 10<sup>th</sup> Ed, McGraw Hill, New York, USA.
2. Froyen, R. T. 2008. Macroeconomics. 8<sup>th</sup> Ed. Pearson education Inc., New Jersey, USA.
3. Rossana, R.J. 2011. Macroeconomics. 1<sup>st</sup> Ed. Routledge Taylor & Francis group, Abingdon, Oxon, USA and Canada
4. Robert, J.B. 2008. Macroeconomics: A Modern Approach. 1<sup>st</sup> Ed. Thomson, South-Western, Mason, USA.
5. Roger, E. A. F. 2002. Macroeconomics. 2nd Ed. South-Western, Mason, USA.
6. Roger, L. M. and D.D. van Hoose. 2004. Macroeconomic: Theories, Policies, and International Applications. 3rd Ed. Cengage South-Western, Mason, USA.
7. Mankiw, N.J. 2012. Principles of Macroeconomics. 6<sup>th</sup> Ed. South Western

Cengage Learning, Mason, USA.