

AMERICAN UNIVERSITY OF BEIRUT

Course Syllabus

Course Number: Economics 227

Course Title: Intermediate Macroeconomics

Catalog Description: The course introduces the students to the aggregative approach to economics including the determination of output, employment, the interest rate and the price level. In addition, the course covers such topics as money and inflation; stabilization policies; budget deficits and national debt. The last part of the course surveys theories on consumption and investment behavior; economic fluctuations and growth; money demand and money supply.

Prerequisite: Knowledge of sophomore economics, Econ 211&212, and Calculus, Math 201&202

Resources Available to Students:

Primary Textbooks:

Dornbush,R., Fisher,S. and Startz., Macroeconomics, 8th ed., McGraw Hill,2001.

Mankiw,N.G., Macroeconomics, 4th ed., Worth Publishers,2000.

Hall, R. and Taylor,J., Macroeconomics:Theory, Performance and Policy ,4th ed.,W.W. Norton& Co.,1991.

Study Guides:for Dornbush and Fisher, and Mankiw texts.

Other Textbooks:

Gordon,R., Macroeconomics, 6th ed.,Haper Collins,1993.

Jenkinson, T., Readings in Macroeconomics, Oxford University Press, 1996.

Klamer, A., The New Classical Macroeconomics, Harvest Press Group, 1984.

Mankinen, G., Money, The Price Level and Interest Rate, Prentice Hall, 1987.

Romer,D., Advanced Macroeconomics, McGraw Hill, 1996.

Learning Objectives: The course aims at explaining forces underlying economic growth and cyclical fluctuations in the economy. The student is expected to become familiar with the macroeconomic tools of analysis and the way economic policy can influence growth and cyclical fluctuation in the economy- i.e booms and recessions.

Throughout the course, class presentations will incorporate a variety of relevant examples in order to relate economic theory to real- world events.

Course Policy: students are expected to attend regularly lecture and discussion sessions. If a student frequently misses sessions, the student will be advised to drop the course.

Discipline Policy: Students are expected to be punctual in coming to class and to leave class on time. If a student misses an exam, the student should present a valid medical excuse before sitting for a makeup exam. Students are expected to solve the set of problems assigned given in class.

Grading Policy: Usually two midterms and a final exam are given in this course with 50% weight on the final exam. Students are encouraged to submit a short term paper on specific topics. Extra 5% would be given for the effort if the paper shows creativity and imagination.

Schedule:

Week Topic	Assignments
1 Basic Concepts and Background	Ch. 1
2 Basic Concepts and Background	Ch. 2
3 National Income Accounting	Ch.2
4 National Income Accounting	Ch. 3
5 The Classical and Keynesian Models	Ch. 3,4
6 The Classical and Keynesian Models	Ch. 8,9
7 The IS-LM Model	Ch.9,10,11
8 Aggregate Demand , Aggregate Supply	Ch. 5,6
9 Stabilization Policy	Ch.7,8
10 Inflation and Unemployment	Ch. 8,9
11 Inflation and Unemployment	Ch. 10
12 Consumption	Ch.16
13 Theories of investment	Ch. 17
14 The Demand and Supply of Money	Ch. 18