PRINCIPLES OF MACROECONOMICS in Fall 2018 (EC2020C)

Course Code	EC2020C	**Professor(s)**	Maria Bach
Prerequisites	None	**Office Number**	G205
Class Schedule	MR: 13:45-15:05 in A-3	**Office Hours**	Wednesdays 17:00-19:00 (By Appointment)
Credits	4	**Email**	mbach@aup.edu
Semester	Fall 2018	**Office Tel. Ext.**	

Course Description

This course provides an introduction to principles of macroeconomics in a market economic system. It focuses on the way economic problem is resolved by explaining the determination of aggregate output, income expenditures, employment and price level in macroeconomic product market, interest rate in financial markets, and foreign exchange rate, their fluctuations and government intervention in the market system based on monetary and fiscal policies. Level of math: graphing of the very simple linear equations, the slope and intercepts of such equations, and solving these equations.

Course Learning Outcomes

The analysis of the fundamentals of economic thinking, using production possibility frontiers to explain, scarcity, choice, efficiency and opportunity costs
Familiarizing students with the meaning and primarily the graphical presentation of the concepts of aggregate demand and aggregate supply curves: movements and shifts.
Students would have to distinguish the tools of aggregate demand and supply: price, quantity and real gross domestic product
Study of fiscal and monetary policies, significance of money, banking system and monetary creation process.
Application of Keynesian and monetarist models to solving economic fluctuations and cycles

General Education

The general education program at AUP consists of four requirements: Speaking the World, Modeling the World, Mapping the World, and Comparing Worlds Past and Present.

This course can be used to fulfill the GE110 requirement and as such has the following learning outcomes:

- Analysing how the market system functions from a macroeconomic perspective
- Analysing and discussing economic fluctuations and their underlying reasons
- Placing economic performances and experiences in a comparative perspective

Course Outline

SUBJECT TO CHANGE

All listed reading is required

A. Part 1: Economics: The Science of Scarcity

1) What economics is about? Chapter 1

Including Appendix A & B

2) Production Possibilities Frontier Framework, chapter 2

3) Supply and Demand: Theory, chapter 3

(Skip: 3-3f. Equilibrium in terms of Consumers' and Producers' Surplus)

B. Part 2: Macroeconomic Fundamentals

4) Macroeconomic Measurements, Part I: Prices and Unemployment, chapter 6

5) Macroeconomic Measurements: Part II: GDP and Real GDP, chapter 7

C. Part 3: Macroeconomic Stability, Instability and Fiscal Policy

6) Aggregate Demand and Aggregate Supply, chapter 8

7) Classical Macroeconomics and The self-regulating Economy, chapter 9

8) Keynesian Macroeconomics and Economic Instability: A Critique of the Self-regulating Economy, chapter 10

9) Fiscal Policy and the Federal Budget, chapter 11

D. Part 4: Money, the Economy, Monetary Policy

10) Money and Banking, and the Financial System, chapter 12

(Skip: 12-4c A thought experiment: No financial intermediaries)

11) The Federal Reserve System, chapter 13

(Skip: 13-3d Dealing with a Financial Crisis)

12) Money and the Economy, chapter 14

13) Monetary policy, chapter 15

(Skip: 15-2a: A different View of the Economy)

Textbooks

Title	Author	Publisher	ISBN	Required
Economics 12th Edition	Arnold	Cengage	9781285738338	Yes

Attendance Policy

Students studying at The American University of Paris are expected to attend ALL scheduled classes, and in case of absence, should contact their professors to explain the situation. It is the student's responsibility to be aware of any specific attendance policy that a faculty member might have set in the course syllabus. The French Department, for example, has its own attendance policy, and students are responsible for compliance. Academic Affairs will excuse an absence for students' participation in study trips related to their courses.

Attendance at all exams is mandatory.

IN ALL CASES OF MISSED COURSE MEETINGS, THE RESPONSIBILITY FOR COMMUNICATION WITH THE PROFESSOR, AND FOR ARRANGING TO MAKE UP MISSED WORK, RESTS SOLELY WITH THE STUDENT.

Whether an absence is excused or not is ALWAYS up to the discretion of the professor or the department. Unexcused absences can result in a low or failing participation grade. In the case of excessive absences, it is up to the professor or the department to decide if the student will receive an "F" for the course. An instructor may recommend that a student withdraw, if absences have made it impossible to continue in the course at a satisfactory level.

Students must be mindful of this policy when making their travel arrangements, and especially during the Drop/Add and Exam Periods.

Grading Policy

	Description	**Percentage of grade**	**Due date**
Midterm Exam	Exam on all contents before Fall break	30%	25 October in class
Final Exam	Exam on all course contents	40%	20 December 12:00PM
Two Homeworks	Practise exam questions	30%	4 October and 5 November in class

Other

IMPORTANT DATES:

10 September (Monday) - Classes begin

16 September (Sunday) - Last day to DROP/ADD courses online

24 October (Wednesday) - Mid-semester

26 October (Friday) - Mid-semester grades due

31 October - 4 November (Wednesday to Sunday) - Fall Break (no classes)

9 November (Friday) - Last day to withdraw from a course/no credit option

12 December (Wednesday) - Last day of Classes

13 December - 16 December (Thursday to Sunday) - Reading Days

17 December (Monday) - 21 December (Friday) - Final Exams

3 January (Thursday) - All grades due