



Kuwait University
College of Business Administration
Economics Department



Course Syllabus
ECON 111 – Principles of Macroeconomics

Dr. Maytham Abdulraheem

Lecture Time and Location

Sun Tue Thu, 12:00 PM – 12:50 PM, Floor 1- Area D1- Room 1009

Contact Information

Location: Economics Department – 3rd Floor – Zone A – Office No. 1073

Email: Maytham.abdulraheem@ku.edu.kw

Office Hours: Sun Tue, 3:45 PM – 4:45 PM and by appointment

Teaching Assistant

TBD

Course Description

An introduction to the concepts and methods of macroeconomics, which is the aggregated top-down view of the economy. This course will introduce important topics that describe the economy as a whole, which include the determination of aggregate output and income, economic growth, business cycle fluctuations, economic shocks, sticky prices, unemployment, inflation, and a brief introduction on money and banking. A basic aggregate supply-aggregate demand macroeconomic model will be analyzed to get a sense of how well the economy is performing, and how it can be improved from a macroeconomic perspective. Students will also learn about the role of fiscal policy and monetary policy in macroeconomic stability.

Prerequisites

ECON 110 (Principles of Microeconomics)

Course Learning Objectives (CLOs)

Upon successful completion of the course, students will be able to:

- CLO1.** Describe basic macroeconomic variables, how they are computed, and their limitations in measuring the performance of the economy.
- CLO2.** Analyze macroeconomic problems such as recessions, unemployment, and inflation.
- CLO3.** Describe the various definitions of money, its functions in the economy, and the money creation process through the banking system.

CLO4. Use the AD-AS model to analyze the performance of the macroeconomy and how it responds to changes in economic conditions.

CLO5. Describe the roles and limitations of governments and central banks in stabilizing the economy through fiscal and monetary policies

CLO Mapping to CBA Skill Based Competency Goals *

CLO	Competency Goal			
	Analytical	Communication	Information Technology	Business Ethics
1	I			
2	I			I
3	I			
4	I			
5	I			

Type of Emphases:

- **(I)ntroduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
- **(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
- **(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

Required Material

Textbook: C. R. McConnell, S. L. Brue, and S. M. Flynn, *Economics: Principles, Problems, and Policies*, Global Edition (19th edition or later), McGraw Hill.

Additional Material: Lecture slides are available on MS Teams.

E-Learning System: Moodle.

Course Website: <http://moodle.ku.edu.kw>

Course Requirements

- **Assignments and Quizzes:** Normally, there will an in-class quiz after every chapter. Expect more than six quizzes. **No make-up quizzes.**
- **Participation:** Participating in class discussions will deepen your understanding of the concepts you learn in class and will affect your grade.
- **Class Preparation:** It is very important that students are prepared for each class period. Reading the assigned chapters from the book is the best way to prepare.

Course Policies

- **Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

* CBA Competency Goals can be found at the end of this document

- **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

Grading

The scores in this course will be the weighted average of the following items:

Weight	Description
10%	Attendance and Participation
15%	Quizzes
25%	Midterm
50%	Final Exam
100%	TOTAL

Grade Distribution

Grade	Range
A	≥ 95
A-	≥ 90 and < 95
B+	≥ 87 and < 90
B	≥ 83 and < 87
B-	≥ 80 and < 83
C+	≥ 77 and < 80
C	≥ 73 and < 77
C-	≥ 70 and < 73
D+	≥ 65 and < 70
D	≥ 60 and < 65
F	< 60

Course Outline

Title	Topics	Chapter	Weeks
Introduction	From Chapter 1: <ul style="list-style-type: none"> • Revising the difference between microeconomics and macroeconomics, opportunity cost, and production possibilities model From Chapter 2: <ul style="list-style-type: none"> • Circular flow diagram 	1, 2	1
Measuring Domestic Output and National Income	All topics in the chapter	27	2—3
Economic Growth	All topics in the chapter	28	4
An Introduction to Macroeconomics	<ul style="list-style-type: none"> • Sticky prices 	26	5

Business Cycles, Unemployment, and Inflation	All topics in the chapter	29	5—7
Basic Macroeconomic Relationships	All topics in the chapter	30	7—8
Aggregate Demand and Aggregate Supply	All topics in the chapter	32	9—10
Fiscal Policy, Deficits, and Debt	All topics in the chapter	33	11
An Introduction to Money and Banking	<p>From Chapter 34 (Money, Banking, and Financial Institutions):</p> <ul style="list-style-type: none"> • Money functions • Money definitions (M1 and M2) • Role of central banks <p>From Chapter 35 (Money Creation):</p> <ul style="list-style-type: none"> • Required and excess reserves • Monetary multiplier and the process of money creation 	34 and 35	12
Interest Rates and Monetary Policy	<p>Interest Rates</p> <ul style="list-style-type: none"> • The demand for money and the supply of money • The equilibrium interest rate <p>Tools of Monetary Policy</p> <ul style="list-style-type: none"> • Open-market operations, the reserve ratio, and the discount rate <p>Targeting the Federal Funds Rate</p> <ul style="list-style-type: none"> • Expansionary monetary policy, restrictive monetary policy, and the Taylor Rule <p>Monetary Policy, Real GDP, and the Price Level</p> <ul style="list-style-type: none"> • Cause-effect chain, effects of an expansionary monetary policy, and effects of a restrictive monetary policy <p>Problems and Complications of applying monetary policy</p>	36	13

Important Dates

Date	Event
26/12/2021	Midterm Exam
27/1/2022	Final Exam

CBA Competency Goals

1. Analytical Competency: A CBA graduate will be able to use analytical skills to solve business problems and make a well-supported business decision.

Student Learning Objectives:

- 1.1. Use appropriate analytical techniques to solve a given business problem.
- 1.2. Critically evaluate multiple solutions to a business problem.
- 1.3. Make well-supported business decisions.

2. Communication Competency: A CBA graduate will be able to communicate effectively in a wide variety of business settings.

Student Learning Objectives:

- 2.1. Deliver clear, concise, and audience-centered presentations.
- 2.2. Write clear, concise, and audience-centered business documents.

3. Information Technology Competency: A CBA graduate will be able to utilize Information Technology for the completion of business tasks.

Student Learning Objectives:

- 3.1. Use data-processing tools to analyze or solve business problems.

4. Ethical Competency: A CBA graduate will be able to recognize ethical issues present in business environment, analyze the tradeoffs between different ethical perspectives, and make a well-supported ethical decision.

Student Learning Objectives:

- 4.1. Identify the ethical dimensions of a business decision.
- 4.2. Recognize and analyze the tradeoffs created by application of competing ethical perspectives.
- 4.3. Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

5. General Business Knowledge: A CBA graduate will be able to demonstrate a basic understanding of the main business disciplines' concepts and theories.

Student Learning Objectives:

- 5.1. Acquire a fundamental understanding of knowledge from the main business disciplines (e.g. finance, accounting, marketing, and management information systems, among others).