**Kuwait University**

**College of Business Administration**

**Economics Department**

Course Syllabus

ECON 140 – Principles of Macroeconomics[[1]](#footnote-2)

(ECON 111 – Principles of Macroeconomics)[[2]](#footnote-3)

Spring 2022

Dr. Dhari Alrasheed

# Lecture Time and Location

Mon Wed, 2:00 PM – 3:15 PM, Room DG-1003

# Contact Information

**Location**:Economics Department – 3rd Floor – Zone A – Office No. A3-1019

**Email:** [dhari.alrasheed@ku.edu.kw](mailto:dhari.alrasheed@ku.edu.kw)

**Website:** <https://www.dalrasheed.com/>

**Office Hours**: Mon Wed, 1:00 PM – 1:45 PM and by appointment

# 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

*For students admitted starting from the 2021/2022 academic year:*

ECON 120 (Principles of Microeconomics)

*For students admitted before the 2021/2022 academic year:*

ECON 110 (Principles of Microeconomics)

# Tutorial

Attending tutorials is strongly recommended. Students will practice solving problems based on what they have learned in lectures. All tutorial sessions follow the same unified schedule, and they are not linked to specific instructors.

*For students admitted starting from the 2021/2022 academic year:*

Attend the tutorial session that you have registered for

*For students admitted before the 2021/2022 academic year:*

Follow your instructor’s guidance

# Course Learning Objectives (CLOs)

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

1. Describe basic macroeconomic variables, how they are computed, and their limitations in measuring the performance of the economy.
2. Analyze macroeconomic problems such as recessions, unemployment, and inflation.
3. Describe the various definitions of money, its functions in the economy, and the money creation process through the banking system.
4. Use the AD-AS model to analyze the performance of the macroeconomy and how it responds to changes in economic conditions.
5. 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[[3]](#footnote-4)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 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

* **Participation:** to receive full credit, you must attend regularly and participate actively. There will also be occasional pop-quizzes that count towards the participation grade.
* **Homework:** assigned on Moodle at the end of each chapter. The lowest homework score will be dropped.
* **Presentation:** done in groups of 4 and to be delivered during the last week of classes.
* **Midterm Exams:** two exams given in weeks 6 and 10.
* **Final Exam:** comprehensive final exam covering all of the course material.
* **Bonus:** there will be a 5% bonus determined by attendance, punctuality, participation, and other activities and assignments.

# Course Policies

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

<http://vpaa.ku.edu.kw/en/documents/KU%20ByLaws/Students/Curriculum_Regulations.pdf>

* **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Curriculum System Bylaws, Chapter 3, Section 14). A copy of the student guide can be accessed online on:

<http://vpaa.ku.edu.kw/en/documents/KU%20ByLaws/Students/Curriculum_Regulations.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.

* **Health Safety:** masks MUST be worn at all times. Practice social distancing and sanitization.
* **Class Etiquette**: avoid distractions. If you are late, walk in quietly and take the first seat available. Refrain from using phones or taking pictures of the board. Beverages are allowed, but not food.
* **Office Hours**: questions about homework or exam preparation must be attempted by you first, then directed to the TA, then to me. If you find yourself struggling in the course in general, inform me early on so that we discuss plans for improvement. You are also welcome to discuss with me anything about the course or economics in general.
* **Exam grades:** Grades are final, but you can ask to review your exam within a week after grades are posted. Grade disputes are governed by the Student Guide.
* **Make-up Exams:** midterm make-ups will NOT be given. If you have to miss one (and only one) midterm exam, its grade will be re-allocated to the final only in extreme and unavoidable circumstances (serious illness, hospitalization, health quarantine, or death of a 1st degree relative) with supporting documents and the instructor’s prior approval. A make-up final exam may be given under the same extreme circumstances and prior approval as per the Student Guide.
* **Disability:** inform me if you have a disability and need assistance or accommodation.
* **Online Contingency:** if KU/CBA policy changes to online testing, exams will be administered on Moodle with double-video proctoring. I may also administer a post-assessment oral quiz to ensure exam integrity, in which case it will count towards the grade of the assessment.
* **Values:** this syllabus is a contract between you and me. I promise you trust, respect, fairness, and honesty. I expect the same from you.

# Grading

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

|  |  |
| --- | --- |
| Weight | Description |
| 5% | Participation |
| 10% | Homework |
| 10% | Group presentation |
| 25% | Two midterm exams each worth 12.5% |
| 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** | **Week (Tentative)** |
| **Introduction** | **From Chapter 1:**   * Revising the difference between microeconomics and macroeconomics, opportunity cost, and production possibilities model   **From Chapter 2:**   * 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** | * 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** | **From Chapter 34 (Money, Banking, and Financial Institutions):**   * Money functions * Money definitions (M1 and M2) * Role of central banks   **From Chapter 35 (Money Creation):**   * Required and excess reserves * Monetary multiplier * The process of money creation: Calculating the maximum amount of new checkable-deposit money creation | 34 and 35 | 12 |
| **Interest Rates and Monetary Policy** | **Interest Rates**   * The demand for money and the supply of money * The equilibrium interest rate   **Tools of Monetary Policy**   * Open-market operations, the reserve ratio, and the discount rate   **Targeting the Federal Funds Rate**   * Expansionary monetary policy, restrictive monetary policy, and the Taylor Rule   **Monetary Policy, Real GDP, and the Price Level**   * Cause-effect chain, effects of an expansionary monetary policy, and effects of a restrictive monetary policy   **Problems and Complications of applying monetary policy** | 36 | 13 |

# Important Dates

|  |  |
| --- | --- |
| Date | Event |
| 14/4/2022 | Last day to drop a course |
| 13/4/2022 | Midterm Exam 1 |
| 11/5/2022 | Midterm Exam 2 |
| 2/6/2022 | Last day of classes |
| 9/6/2022 | 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. Use appropriate analytical techniques to solve a given business problem.
  2. Critically evaluate multiple solutions to a business problem.
  3. Make well-supported business decisions.

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

**Student Learning Objectives:**

* 1. Deliver clear, concise, and audience-centered presentations.
  2. Write clear, concise, and audience-centered business documents.

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

**Student Learning Objectives:**

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

1. **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:**

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

1. **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:**

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

1. For students admitted starting from the 2021/2022 academic year [↑](#footnote-ref-2)
2. For students admitted before the 2021/2022 academic year [↑](#footnote-ref-3)
3. CBA Competency Goals can be found at the end of this document [↑](#footnote-ref-4)