**Kuwait University**

**College of Business Administration**

**Economics Department**

Course Syllabus

ECON 340 – Intermediate Macroeconomics[[1]](#footnote-2)

(ECON 211 – Macroeconomic Theory)[[2]](#footnote-3)

Spring 2022/2023

Prof. Yousuf Garashi

# Lecture Time and Location

Sun Tue Thu, 11:00 AM – 11:50 AM, Room 1005

# Contact Information

**Location**:Economics Department – 3rd Floor – Zone A – Office No. 1032

**Email:** yousuf.garashi@ku.edu.kw

**Office Hours**: Tue, 12:00 noon – 1:00 PM and by appointment

# Teaching Assistant

**Name**: Mahmoud Al-Shimmery

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

**Email:** Mahmoud.alshemri@ku.edu.kw

**Office Hours**:Mon 2:00 PM – 3:00 PM

**Tutorial**:Sun 12:00 PM – 12:50 PM, Room 1072

# Course Description

This course expands on the principles of macroeconomics course and exposes students to the analysis of macroeconomic problems at the intermediate level. Part of this course focuses on analyzing economic fluctuations in the short run. Students will learn about business cycles and their prevention using short-run macroeconomic models that range from the IS-LM model, to monetary and fiscal policies, and a dynamic framework of the AS-AD model with short-run shocks. In addition, students will explore the determinants of the long-term trends of the economy as a whole such as productivity and economic growth. Moreover, this course covers theories of long-run economic growth such as the Solow growth model, Romer's model of endogenous growth theory, and other alternative theories.

# Prerequisites

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

ECON 230 (Mathematics for Economists)

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

ECON 205 (Mathematics for Economists)

# Corequisites

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

ELU 126 (English for Academic Purposes I)

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

No corequisites

# Course Learning Objectives (CLOs)

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

1. Describe how output, unemployment, inflation, exchange rates, and interest rates affect economic performance in the short-run and long-run.
2. Analyze the macroeconomy in the short-run using the IS-LM model, AD-AS model, and the Philips curve.
3. Analyze the macroeconomy in the long-run using the AD-AS model, the Solow growth model and endogenous growth models.
4. Analyze the sources of economic growth, the determinants of the standard of living, and the growth of productivity in a theoretical framework.
5. Apply mathematical and graphical tools to evaluate macroeconomic problems and policies using short-run and long-run macroeconomic models.

# CLO Mapping to CBA Skill Based Competency Goals[[3]](#footnote-4)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CLO | Competency Goal | | | | |
| Analytical | Communication | Information Technology | Business Ethics |
| 1 | R |  |  |  |
| 2 | I |  |  |  |
| 3 | I |  |  |  |
| 4 | R |  |  |  |
| 5 | A |  |  |  |

# 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**: Robert J. Gordon. *Macroeconomics,* 12th edition or later, Pearson.

**Additional Material**: Lecture slides are available on MS Teams.

**E-Learning System**: None

**Course Website** : <http://moodle.ku.edu.kw> None

# Tutorial

Attending tutorials is mandatory.

# Course Requirements

* **Exam-Style for ECON 340 (ECON 211):** 50%–100% of any exam will consist of short/long-answer questions that ask for written answers, which can be conceptual, analytical, or quantitative questions. If the instructor decides to have multiple-choice, true/false, fill-in-the-blank, or matching questions, they will not exceed 50% of the total exam points.
* **(The exam-style policy above was decided by the Academic and Curriculum Committee and should be applied starting from February 2022)**
* **Individual Assignments:** There are total 6 individual assignments.
* **In-Class Tests:** There are total 6 in-class tests.
* **Participation:** The quality of our classroom discussions in large part depends on you and your preparation for class. Participation should include, among other things, (1) presenting case facts, (2) defining the problem, (3) exploring different alternatives, (4) persuasive, thoughtful, integrated analysis supported by the data given in the case, (5) Implementation plan for proposed actions. "Air time" is not nearly as important as meaningful analysis and recommendations supported by data. Remember, for most of these cases, there is no right or wrong answer.
* **Class Preparation – Readings:** It is very important that students are prepared for each class period.
* **Writing Style:** Students must refer to MLA writing style for their assignments and report writing. Refer to the English Language Center for help.

# 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.

# Grading

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

|  |  |
| --- | --- |
| Weight | Description |
| 5% | **Homework Assignments**  The Academic and Curriculum Committee has decided that the instructor of core economics courses (Mathematics for Economists, Intermediate Microeconomics/Microeconomic Theory, Intermediate Macroeconomics/Macroeconomic Theory, and Econometrics) must assign all their students a variety of homework assignments that ensure that they are qualified and trained in questions that ask for written answers, which can be conceptual, analytical, or quantitative questions. The grading weight of these mandatory assignments is up to the instructor.  This policy has been decided by the Academic and Curriculum Committee and should be applied starting from February 2022. |
| 5% | Quizzes |
| 20% | Midterm Exam One 19/3/2023 |
| 20% | Midterm Exam Two 23/4/2023 |
| 50% | Final Exam 10/5/2023 |
| 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** | **Readings on Textbook** | **Week (Tentative)** |
| 1. **Introduction**   **(Revising some topics that students learned in the principles of macroeconomics course in no more than 1–2 weeks)** | | |
| **What is Macroeconomics?** | Chapter 1 | 1 |
| **The Measurement of Income, Prices, and Unemployment** | Chapter 2 | 2 |
| 1. **Short-run Macroeconomic Analysis** | | |
| **Income and Interest Rates: The Keynesian Cross Model and the IS Curve** | Chapter 3 | 3–4 |
| **Strong and Weak Policy Effects in the IS-LM Model** | Chapter 4 | 5–6 |
| **International Trade, Exchanges Rates, and Macroeconomic Policy** | Chapter 7 | 7 |
| **Aggregate Demand, Aggregate Supply, and the Great Depression** | Chapter 8 | 8–9 |
| **Inflation: Its Causes and Cures** | Chapter 9 | 10–11 |
| 1. **Long-run Macroeconomic Analysis** | | |
| **Solow Growth Model** | Sections 1–7 of *Chapter 11: The Theory of Economic Growth* | 12 |
| **Endogenous Growth Theory** | Section 8 of *Chapter 11: The Theory of Economic Growth* | 13 |
| **The Big Questions of Economic Growth** | Chapter 12 | 13 |

# Important Dates

|  |  |
| --- | --- |
| Date | Event |
| 16/3/2023 | Last day to drop a course |
| 19/3/2023 | Midterm Exam 1 |
| 23/4/2023 | Midterm Exam 2 |
| 16/3/2023 | Last day of classes |
| 10/5/2023 | 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)