

BS2241 – PRINCIPLES OF MACROECONOMICS

Module Number: BS2241
Module Title: Principles of Macroeconomics
Number of Aston Credits: 10
Total Number of ECTS Credits: 5
(European Credit Transfer)

Staff Member Responsible for the Module:

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Availability: Please see office hours on door or group administrator, Lynne Woolley, SW907b, Extension 3038

Pre-Requisite(s) for the Module: BS1164 - Introduction to Macroeconomics

Module Learning Outcomes:

This module is designed to provide a comprehensive introduction to a variety of models commonly used for macroeconomic analysis, as well as their application to the understanding of recent macroeconomic events affecting several national economies and economic policy measures adopted by different governments.

Upon successful completion of the module students will be able to:

- understand and compare the features of the main macroeconomic models
- understand the determinants of macroeconomic fluctuations and the impact of fiscal and monetary policy and the economy
- establish relationships among relevant concepts such as income determination and employment theory, economic growth, inflation, recession

Module Content:

Week

14 Introduction to macroeconomics and national statistics

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- 15 – 17 Classical economics: aggregate demand and supply, equilibrium in the market for goods and services, equilibrium in financial markets, the open economy
- 18 – 22 Keynesian economics: Background to Keynesian economics, the IS-LM model, fiscal and monetary policy in the IS-LM model, the Mundell-Fleming model and the open economy
- 23 – 24 Supply-side economics: Aggregate supply, inflation, unemployment and the Phillips curve
- 25 Revision

International Dimensions:

Theoretical models of macroeconomic behaviour and policy will be applied to a range of international macroeconomic event such as the currency crisis in East Asia and hyperinflation in Latin America. The different approaches to economic policy in different countries will be compared and contrasted.

Corporate Connections:

The module deals with issues that are of central importance for companies' planning activity: the general stability of the economic environment of a range of countries, the determinants of inflation, unemployment, economic activity. It also deals with the nature and impact of economic policy in a range of countries: developed, developing and in transition.

Links to Research:

Various parts of this module are linked to the research conducted by Dr Rakesh Bissoondeal. For example, Dr Bissoondeal has published papers on the demand for money and on forecasting and modelling of inflation and exchange rates.

Learning and Teaching Rationale and Methods:

- a) Method of Teaching – By twelve two-hour lectures and five bi-weekly one-hour exercise sessions over twelve weeks.

The lectures and independent reading will provide the theoretical foundation. Non-marked homework exercises will be assigned at each lecture. These exercises are designed to foster a deeper understanding of economic theory as well as understanding of potential applications. The exercises will be reviewed in the tutorial review sessions and can be discussed with individual students during office hours.

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b) Duration

Contact and directed learning

Lectures	24 hours
Class presentation and discussion of exercises	5 hours
Examination	2 hours
Class test	1 hour

Indirect learning

Preparation of exercises	15 hours
Exam revision	25 hours
Reading	28 hours

Total **100 hours**

Exercise Revision Sessions and Class Test Schedule

Exercise revision session I	Week 14/15
Exercise revision session II	Week 16/17
Exercise revision session III	Week 18/19
Class Test I	week 21
Exercise revision session IV	Week 19/20
Exercise revision session V	Week 20/21

Ethical Approval:

This module does not require any primary research and no ethical approval will be necessary.

Assessment and Feedback Rationale and Methods:

Assessment is via a two-hour closed book final examination (75%) and one one-hour closed-book class test (25%).

The examination assumes knowledge of the material covered in the lectures, exercises and main recommended reading. It is designed to test the student's knowledge of the theory and applications of macroeconomics and their ability to use them and evaluate them.

The class test is designed to reinforce the learning process and for the students to find out how well they are doing in their understanding of the material covered in the lectures and tutorials.