



School	Business
Department	Economics, Business & Finance
Module title	Advanced Macroeconomic theory
Module Code	2104307
Credit hours:	3 Credit Hours
Module Leader	Hussam Daoud (dr.hussam73@mutah.edu.jo)

This course delivers macroeconomic theory with main emphasis on dynamic general equilibrium models. Mathematical tools for modern dynamic macroeconomics and examples of their application to business cycles, fiscal policy, growth and unemployment. Uncertainty in intertemporal models. The course is more about acquiring methodological and analytical skills than about empirical or policy applications.

On completion of this module students should:

➤ Macroeconomic theory is a course intended for B.s.c degree students, It fairly covers thorough discussion of the structure of the macroeconomic system and the theoretical questions and controversies concerning this basic structure before getting down to details of empirical estimates of the precise shape of the economy. Therefore, the course, firstly, displays to the student the skeleton of the macro economy and how its parts interact, before getting into controversies. Then it will provide a review of the empirical work done on the various sectors of the economy

Module outline

- Week 1+2: An introduction to Macroeconomics: Actual and potential GDP, National Income Accounts. Income Determination (The Multiplier) Ch (1+2+3)
- Week 3: Demand Side Equilibrium: Income and Interest rate, Ch (4)
- Week 4: An Introduction to Monetary and Fiscal policy, Chapter 5
- Week 5: Supply Side Equilibrium: Output and Price level, Chapter 6
- Week 6: Equilibrium in the static Model Chapter 7
- Week 7: Search, Wage Rigidity, and Unemployment, Chapter 8
- Week 8: Monetary, Fiscal, and Income policy in the Static Model, Chapter 9
- Week 9+10: Sectoral Demand Function and Extensions of the static Model: Consumption And Consumer Expenditures, Chapter 10

- Week 11: Investment Demand, Chapter 11
- Week 12: The Demand for Money, Chapter 12
- Week 13 The Supply of Money, Chapter 13
- Week 14: Monetary and Fiscal policy in an Extended Model, Chapter 14
- Week 15: The Foreign Sector and The Balance of Payments, Chapter 15
- Week 16: Final Exam

Course Materials

- *Macroeconomic Theory and Policy, Third Edition, 1987, Harper @ Row Publishers. Author: William H. Branson*
- Lecture slides.

Module Organization

- **Teaching:** 3-hour lectures per week
- **Student workload:** Approximately 6 hours study per week
- **Feedbacks** will take the shape of one-to-one.

Assessment method:

- Mid Term Exam 30% (1 hour): week 7.
- Weekly exercises/assignments 20% (1 hour): week 11.
- Final Exam 50% (2 hours): week 16.

Course policies

To be explained to the students at the first meeting:

- ✓ **Class attendance:** Students are expected to attend all lectures of this course due to the nature of the course that adopts a cumulative learning process. A prior approval is required for class absence, except for emergencies.

*Students **absent** from class are responsible for obtaining notes of lectures and project assignments from fellow students and are responsible for turning such assignments when due. Absence is not an excuse for meeting an assignments due date.*

- ✓ **Tardy:** Arriving late are not expected in both on-campus and online lectures (if any), as it would affect the understanding of the student to the new topic, and therefore his performance in the daily exercise.
- ✓ **Class behavior:** A student is expected to pay full attention to the tutor, to respect his colleagues, and to keep the lectures and his table clean and tidy. Additionally, full attention shall be kept during the classes as the peer-to-peer learning is one of the major learning tools in the lecture.
- ✓ **Food and drinks:** Snacks and drinks with lids are allowed in the lectures.

- ✓ **Submissions and exams:** The weekly exercises are expected to be submitted on time. Late submissions are only accepted within a week of the original deadline and with 20% cut of the main grade. Failure to attend any exam or quiz will result to have a mark of zero.
- ✓ **Cheating:** Cheating in all its forms are not accepted and would result in an automatic zero for the submission/exam and would be reported to the dean to investigate the case and decide upon a suitable punishment according to the university regulations.