PRINCIPLES OF MACROECONOMICS in Fall 2020 (EC2020A)

Course Code	EC2020A	**Professor(s)**	Shahram Alijani
Prerequisites	None	**Office Number**	G-206
Class Schedule	F: 12:40-14:15 in Q-A101 T: 18:10-19:45 in Q-A101	**Office Hours**	Tuesdays 15:00 – 16:00 & by appointment
Credits	4	**Email**	salijani@aup.edu
Semester	Fall 2020	**Office Tel. Ext.**	567

Course Description

COURSE DESCRIPTION:

As an introduction to the subject of macroeconomics, this course underlines the importance of economics as a subject of scientific inquiry and addresses a number of important social and economic issues that affect our modern economies. The course begins by providing an introduction to the study of the market, the price system and the demand and supply mechanisms. It proceeds further by explaining how the economy functions at the level of macro units and its broad aggregates and the way they affect aggregate demand and supply. The study of the determinants and measurement of the macroeconomic aggregates, national income, price, and employment, and their impact on economic growth and performance constitute the main chapters of this course. The last part of the course focuses on the study of macroeconomic policies and the way Keynesian and monetarist policies can be used to stabilize the economy.

Course Learning Outcomes

Defining scarcity, choice, efficiency and opportunity cost using PPF.
Interpreting core economic concepts through its graphical presentation and basic mathematical expression.
Identify the tools of estimating aggregate demand and supply: price, quantity and real gross domestic product.
Determine the use of monetary and fiscal policies, the significance of money and its creation, and the role of the banking system.

Presenting different approaches in dealing with economic fluctuations and cycles.

General Education

GENERAL EDUCATION & GLACC REQUIREMENTS:

The general education program at AUP consists of four requirements: Speaking the World, Modeling the World, Mapping the World, and Comparing Worlds Past and Present. This course can be used to fulfill the general education requirement ‘Mapping the World: Social Experience and Organization’ as such has the learning objectives stated above. The GLACC programs fulfills the core curriculum requirements at the American University of Paris. This course emphasizes the GLACC learning objective “Civic and Ethical Engagement”. Students are expected to demonstrate awareness of ethical considerations relating to specific societal problems, values, or practices and learn to articulate possible solutions to prominent challenges facing societies and institutions today so as to become engaged actors at various levels in our interconnected world.

Course Outline

CLASS ORGANIZATION: LECTURES AND EXERCISES

Considering the numerous constraints imposed by the COVID-19 pandemic, class lectures, assignments and workshops will be conducted in a hybrid format that encompasses synchronous and asynchronous, distant and face-to-face sessions. Students are required to participate in all classes and do the assignments in one or more of the designated lecture and exercise formats. The current format requires a high degree of flexibility, adaptation, agility and collaboration among all participants. In addition to class lectures, students are required to participate in four workshops designed to familiarize students with the application of economic theories and the tools and techniques used by economists using graphs, calculating slopes and solving linear and nonlinear equations. Due to the constraints imposed by the organization of hybrid classes, workshops may take place outside regular class session in a synchronous or asynchronous mode.

Students joining class via MS Teams are encouraged to participate actively in class discussions and exercises. Join meetings with mute on and turn your camera on when you ask questions. Please be mindful of potential technical problems, background noise and recording problems. Raise your hand when asking question, turn off your microphone during lecture and use the chat function parsimoniously.

OUTLINE:

The following topics will be covered with the approximate number of lectures appearing in parentheses:

- Introduction: Fundamentals of Economics Thinking, Nature of Economics (1)
- General view of the Price System: Demand and Supply (2)
- Introduction to macroeconomics:national accounting, consumption, investment (4)
- Aggregate demand, aggregate supply: their determinants, movement and impact on national income (4)
- Fiscal policy and the multiplier model (3)
- Monetary policy and the banking system (3)
- Causes and consequences of inflation and unemployment (3)
- Topics and issues in economic growth and efficiency (2)

COURSE AND READING SCHEDULE

FALL 2020

Date	Topics, Workshops and Examinations	Readings
Week 1 Starting Sept. 21	Introduction: brief overview of macroeconomic goals: growth, employment, price stability.	Arnold, C
Week 2 Starting Sept. 28	Production and trade: market mechanisms, demand and supply, and government policy to support demand and supply. Working with diagrams and graphs	Arnold, C Appendix
Week 3	Macroeconomic measurement: price, employment, GDP	Arnold, C

Starting Oct. 5	**Workshop I: Exercise sheet 1** **Asynchronous and synchronous sessions**	
Week 4 Starting Oct. 12	Aggregate demand and aggregate supply curves **Test 1: Friday Oct. 16: asynchronous session**	Arnold, Cl
Week 5 Starting Oct. 19	The self-regulating economy and its critiques.	Arnold, Cl
Week 6 Starting Oct. 26	Introduction to fiscal policy: government expenditure and taxation. Government fiscal policy: mechanisms and impact	Arnold, Cl
Weeks 7 Starting Nov. 2	Introduction to money, interest rate and banking. The Federal Reserve system and monetary creations **Workshop II: Exercise sheet 2** **Asynchronous and synchronous sessions**	Arnold, Cl
Week 8 Starting Nov. 9	**Test 2: Tuesday Nov. 10: asynchronous session** **Fall semester break: Nov. 11-15 No class on Friday Nov. 13.**	Arnold, Cl
Week 9 Starting Nov.16	Introduction to money and banking. The Federal Reserve system and the monetary creation process.	Arnold, Cl
Week 10 Starting Nov. 23	Monetary Policy: instruments and mechanisms. Monetarist & Keynesian theories and views: the role of money, interest rate, investment and production . **Workshop III: Exercise sheet 3** **Asynchronous and synchronous sessions**	Arnold, Cl
Week 11 Starting Nov. 30	Inflation, unemployment and implications for economic growth. Monetarist & Keynesian stabilization policy recommendations.	Arnold, Cl
Week 12 Starting Dec. 7	Inflation, unemployment, economic cycles and growth Government stabilization policies: Monetarism vs Keynesianism **Workshop IV: Exercise sheet 4** **Asynchronous and synchronous sessions**	Arnold, Cl
Week 13	**Reading Days**	

Starting Dec. 14	Extra asynchronous exercise sessions for small groups. Extra online sessions may be scheduled during this week.	
Week 14 **Last class and Final Examination**	**Test 3: Face-to-Face and synchronous session** The final exam will take place on Dec. 18th at 8:00 p.m. Earlier exam dates could be envisaged under special circumstances	

<u>Additional Readings & Selected Bibliography</u>

See the list of additional readings and the class handout for workshops and exercise sessions provided by the professor.

Textbooks

This course doesn't have any textbook.

Attendance Policy

<u>Covid-19 temporary amendments:</u>

Students studying at The American University of Paris are still expected to attend ALL scheduled classes. Due to special circumstances related to the Covid-19 pandemic, students will have the option of attending some classes online either in a synchronous or asynchronous format. In general, students are expected to attend at least one class a week in a synchronous format by either being physically present or logged in via the TEAMS online platform during class. It is still the student’s responsibility to be aware of any specific attendance policy that a faculty member might have set in the course syllabus.

<u>ATTENDANCE POLICY:</u>

Students studying at The American University of Paris are expected to attend ALL scheduled classes, and in case of absence, should contact their professors to explain the situation. It is the student's responsibility to be aware of any specific attendance policy that a faculty member might have set in the course syllabus. The French Department, for example, has its own attendance policy, and students are responsible for compliance. Academic Affairs will excuse an absence for students' participation in study trips related to their courses.

Attendance at all exams is mandatory. IN ALL CASES OF MISSED COURSE MEETINGS, THE RESPONSIBILITY FOR COMMUNICATION WITH THE PROFESSOR, AND FOR ARRANGING TO MAKE UP MISSED WORK, RESTS SOLELY WITH THE STUDENT.

Whether an absence is excused or not is ALWAYS up to the discretion of the professor or the department. Unexcused absences can result in a low or failing participation grade. In the case of excessive absences, it is up to the professor or the department to decide if the student will receive an "F" for the course. An instructor may recommend that a student withdraw, if absences have made it impossible to continue in the course at a satisfactory level. Students must be mindful of this policy when making their travel arrangements, and *especially during the Drop/Add and Exam Periods.*

ENGLISH LANGUAGE PROFICIENCY STATEMENT: As an Anglophone university, The American University of Paris is strongly committed to effective English language mastery at the undergraduate level. Most courses require scholarly research and formal written and oral presentations in English, and AUP students are expected to strive to achieve excellence in these domains as part of their course work. To that end, professors include English proficiency among the criteria in student evaluation, often referring students to the university Writing Lab where they may obtain help on specific academic assignments. Proficiency in English is monitored at various points throughout the student's academic career, most notably during the admissions and advising processes, while the student is completing general education requirements, and during the accomplishment of degree program courses and senior theses.

Grading Policy

GRADING:

Participation	10%
Assignments, Workshops	25%
Midterm Examination: Test 1	20%

Midterm Examination: Test 2	20%
Final Examination: Test 3	25%

Other