Title: Principles of Macroeconomics

Abbreviation and Number: ECON211

School: Business

Department: Banking, Economics and Finance

Credits: 3

Pre-requisite(s): ENG120 or ENGW120 and MATH163

Co-requisite(s): None

COURSE DESCRIPTION

Students are introduced to neo-classical theory which provides a framework to address macro- economic issues. Analytical tools are used to understand the economic experience of The Bahamas and other countries. Current policy initiatives that affect macroeconomic performance are addressed.

SPECIFIC OBJECTIVES

Upon successful completion of this course, students will be able to
1) Illustrate how a macroeconomy functions;
2) Derive the most common measures of the macroeconomy;
3) Explain macroeconomic variables;
4) Interpret fiscal and monetary policies; and
5) Discuss economic relations in international trade.

COURSE CONTENT

I. Introduction to Economics
   A. Economic thinking
   B. Economic modelling
   C. Noted economists
   D. Scarcity
   E. Production possibilities

II. Market Mechanisms
   A. Demand
   B. Supply
   C. Price determination
   D. Equilibrium and disequilibrium

III. Macroeconomy
   A. Circular flow
   B. National income accounting
   C. Business cycles

IV. Employment
   A. Types
   B. Measuring unemployment
C. Labour market

V. Price Stability
   A. Inflation
   B. Price indices

VI. Macroeconomic Equilibrium
   A. Aggregate demand
   B. Aggregate supply
   C. Goods market

VII. Fiscal Policy
   A. Government spending
   B. Taxation
   C. Stabilisation tools
   D. Budget deficits
   E. National debt

VIII. Monetary Policy
   A. Money
   B. Money creation
   C. Multipliers
   D. Central banking
   E. Monetary policy tools

IX. International trade
   A. Theory of comparative advantage
   B. International trade agreements

**ASSESSMENT**

Project..............................................20%
Assignments.....................................10%
In-Class Tests....................................40%
Final Examination..............................30%

**Total**..............................................100%

**REQUIRED TEXT**


**SUPPLEMENTARY READINGS/MATERIALS**

Title: Principles of Macroeconomics
Abbreviation and Number: ECON211


**Journals**
- The Business Challenge
- Cambridge Journal of Economics
- Caribbean Journal LLC
- Economia: Journal of the Latin American and Caribbean Economic Association
- The Economist
- Explorations in Economic History
- The Journal of Economic Theory
- Quarterly Journal of Economics 67, (November)
- Quarterly Review of Central Bank of The Bahamas
- Quarterly Review of the Federal Reserve Bank
- Review of Economics and Statistics
- Small Business Economics
- Newspapers
- The Nassau Guardian
- The Tribune (Nassau)
- The Wall Street Journal

**Websites**
- www.bahamas.gov.bs
- www.bahamas.gov.bs/labour/
- www.centralbankbahamas.com/
- www.economist.com/
- www.federalreserve.gov
- www.imf.org
- www.statistics.bahamas.gov.bs
- www.wto.org