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**College of business administration**

**King saud university- al Muzahimiyah branch**

**Course Specification: MAcroeconomics (ECON- 102)**

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| **Subject Coordinator:** Dr. Md. Izhar Alam |
| **Instructor:** | Dr. Md. Izhar AlamDr. Mohd. Imran | **Instructor title:** | Asstt. Professor |
| **Office:** | F 091 F092 | **Phone:** | 1195; 1171 |
| **Teaching Hours:** | 45 | **Email:** | *mialam@ksu.edu.sa**myunus@ksu.edu.sa* |

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| **Required Topics** | **Credit hrs** | **Week** |
| 1. **Introduction:**

Nature and Scope of Macro Economics; Differences between microeconomics and macroeconomics; Goal & Importance of macroeconomics; Tools of macroeconomics; Major Issues and Concerns of Macroeconomics; Post- Keynesian Developments in Macroeconomics- Monetarism, Supply- side Economics and Rational Expectations Theory, Review Questions, **Internal Assessment.** | **5** | **2** |
| 1. **National Income:**

Concepts- Gross Domestic Product (GDP), Gross National Product (GNP) at market price and factor cost, Real & Nominal, Deflator, etc; Measurement and limitation of National Income; Circular flows of Income in two, three and four sector economy, Review Questions, **Internal Assessment.** | **4** | **1** |
| 1. **Determination of Income and Employment:**

Classical Theory of Employment, Say’s Law of Market; Keynesian theory of employment- Aggregate demand & Aggregate Supply; Inflation & Deflation- Causes and Remedies; wages and unemployment; determination of National Income- Keynesian two, three and four sector model, Review Questions, **Internal Assessment.** | **9** | **3** |
| **First Exam** | **20 marks** |
| 1. **Consumption and Saving:**

The principle of Effective Demand; Consumption Function- Average and Marginal Propensity to consume and save, Theories of consumption- Keynesian Absolute/Psychological law, Post- Keynesian Consumption Theories- Absolute & Relative Income Hypothesis, Permanent Income Hypothesis, Life Cycle Hypothesis, Review Questions, **Internal Assessment.** | **4** | **1** |
| 1. **IS- LM Model:**

Concepts, features and determination. Review Questions, **Internal Assessment.** | **3** | **1** |
| 1. **Theories of Investment, Multiplier Accelerator & Business Cycle:**

Concepts, Types of investment, Determination of level of investment, Marginal Efficiency of Capital (MEC), Concepts and Working of Multiplier & Accelerator, Concepts and features of Business/Economic Cycle, Review Questions, **Internal Assessment.** | **4** | **1** |
| 1. **National Budget:**

Concept and types of budget, Government deficit and debt, Fiscal policy, Review Questions, **Internal Assessment.** | **3** | **1** |
| **Second Exam** | **20 marks** |
| 1. **Monetary System and Monetary Policy:**

Money and its types and functions; Meaning and Functions of Central Bank and Commercial Banks; Monetary policy of Central Bank, Review Questions, **Internal Assessment.** | **4** | **1** |
| 1. **International Trade, Finance, Balance of Payment and Exchange Rate:**

Theories of International Trade; International Financing, Meaning and components of Balance of Payments; Meaning, types and determination of Exchange Rate, Review Questions, **Internal Assessment.** | **5** | **2** |
| 1. **Economic Growth & Development:**

Meaning, determinants and differences between Economic growth and development, Theories of Economic growth and development, Review Questions, **Internal Assessment.** | **4** | **1** |
| **Final Exam** | **40 marks** |

**Distribution of Marks:**

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| **S. No.** | **Examinations** | **Marks** |
| 1. | First Exam | 20 marks |
| 2. | Second Exam | 20 marks |
| 3. | Internal Assessment | 20 marks |
| 4. | Final Exam | 40 marks |
| 5. | **Total**  | **100 marks** |