



University of Management *and* Technology

EC-220: MACRO ECONOMICS

Resource Person:	
Email:	
Contact Hours:	
Office Address:	
Programme:	
Section:	
Semester:	
Course Pre-requisites:	
Credit Hours:	
Venue/Day/Time:	
Course URL (if any):	

Course Description:

The course of Macroeconomics is designed to make the students familiar with economic principles to deal with economic problems at macro level.

Macroeconomics provides another dimension of the economy where the aggregate behavior also matters within the major agents like Consumer, producer and government. It will shed light on issues like national income, aggregate demand and supply, provision of jobs, money market, balancing goods and money market, fiscal and monetary policy, maintaining cost of living and last but not the least improving the standard of living.

Course Teaching Methodology:

- Lecture and Discussion
- Problem solving techniques
- Numerical Examples
- Interactive Classes
- Guest lecture
- Class activities
- Projects
- Presentations

Programme Educational Objectives (POs):



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PO-1	To produce life-long learners who can adapt themselves according to the dynamic contexts with ease, flexibility, and skillful behavior of learn, unlearn, and relearn.
PO-2	To develop critical thinking, problem-solving, reasoning, and decision-making skills to effectively manage complex business situations among graduates in order to ensure intellectually strong and professionally reliable resources in their field of study and careers.
PO-3	To produce socially responsible professionals who are equally respectable in local and global community due to the observance of ethical and sustainable practices in all they do.
PO-4	To develop future leaders with strong communication and interpersonal skills enabling them to working in and leading teams.
PO-5	To develop tech savvy and T-shaped professionals having capability to understand and emerge successful in managing entrepreneurial, social, political, economic, and legal environments.

Programme Learning Outcomes (PLOs):		
After completing this degree programme, students shall be able to:		
		Mapping the PLOs with POs
PLO-1	Demonstrate competency in the underlying concepts, theory and tools taught in the core undergraduate curriculum.	
PLO-2	Demonstrate effectively oral and written communication.	
PLO-3	A thorough understanding of business and economics frameworks, basic economics theories, modeling and analytical tools with integration of global perspectives i.e. identifying and analyzing relevant global factors that influence decision-making.	
PLO-4	Developing critical and analytical thinking abilities with understanding of managing technological, social, political, economic and legal	



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	environments.	
PLO-5	Developing the ability to work in teams with strong interpersonal skills and thorough understanding of people side of the organizations.	
PLO-6	Understanding of the ecosystem of start-ups in the country with the ability to demonstrate and create business plans.	
PLO-7	An ability to use the quantitative and qualitative techniques, skills, and modern tools related to micro, macro-economics and applied statistics for solving complex problems.	
PLO-8	Developing civic duty minded graduates having compassion towards social, ethical and sustainable business practices.	
PLO-9	An ability to use modern and digital soft-wares for supporting economic and business decisions and projections.	
PLO-10	Having the capability to develop an econometric model.	
PLO-11	Ability to carry out research with a focus on preparing research report on economic problem (s).	

Course Objectives (COs)	
CO-1	Students will be able to make connection between major goals of macroeconomics like economic growth Inflation and unemployment and how it effects human welfare.
CO-2	Students will be able to foresee economy fluctuates in short run and long run and how government can intervene based on the synthesis of source
CO-3	Students will explore the role of banks & Central bank and its role in creating money
CO-4	Students will be able to understand the trade cycle of the economy in an open economy perspectives. How macro indicators of an open economy affect the overall performance of the country.
CO-5	Understanding the influence of macroeconomic goals on the consumers & producers and devising policy for agents and government

Course Learning Outcomes (CLOs)		Mapping PLOs, Cos and CLOs
CLO-1	Upon successful completion of the course, the student will be able to:	PLO1, PLO2,



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	Students will be able to make connection between major goals of macroeconomics like Inflation, growth and unemployment and how it effects human welfare.	CO1
CLO-2	Understanding the influence of macroeconomic goals on the consumers & producers and devising policy for agents and government	PL2, CO2
CLO-3	Students will explore the role of banks & Central bank and its role in creating money	CO4, PLO4
CLO-4	Students will be able to foresee how economy fluctuates in short run and long run and how government can intervene based on the synthesis of source	CO5, PLO5
CLO-5	The students will be in a position to understand the macroeconomic problems faced by Pakistan economy and the use of economic tools to come up with the possible true picture of the economy after using available economic data.	
CLO-5	To develop a conscious recognition of macroeconomics and political economics in the world around us.	



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Assurance of Learning and Assessment Items:	
<i>Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs</i>	
Assessment Item	Application/ Objectives PLO / CO / CLO
Quizzes	All
Assignments	All
Class Activities: (Presentations, Take home problems set, short projects and case study)	All
Mid-term exam	All
Final exam	All

Assessment Structure and Grading Policy*:		
Assessment Item	Weight (%)	Execution Plan
Quizzes	10%	Four-time assessment
Assignments	10%	Four-time assessment
Class Activities, In class exercises (Presentations, Take home problems set)	10%	weekly assessment
Term Paper and presentation	10%	One-time assessment
Mid-term exam	20%	One-time assessment
Final exam	40%	One-time assessment
Total	100	

Notes – Norms and Important Class Policies:
(such as submission guidelines, academic honesty, make-up policy, code of conduct)

- **Be On Time**
You need to be at class at the assigned time. After 10 minutes past the assigned time, you will be marked absent
- **Mobile Policy**
TURN OFF YOUR MOBILE PHONE! It is unprofessional to be texting or otherwise
- **Email Policy**



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READ YOUR EMAILS! You are responsible if you miss a deadline because you did not read your email. Participants should regularly check their university emails accounts regularly and respond accordingly.

- **Class Attendance Policy**

A minimum of 80% attendance is required for a participant to be eligible to sit in the final examination. Being sick and going to weddings are absences and will not be counted as present. You have the opportunity to use 6 absences out of 30 classes. Participants with less than 80% of attendance in a course will be given grade 'F' (Fail) and will not be allowed to take end term exams. International students who will be leaving for visa during semester should not use any days off except for visa trip. Otherwise, they could reach short attendance.

- **Withdraw Policy**

Students may withdraw from a course till the end of the 12th week of the semester. Consequently, grade W will be awarded to the student which shall have no impact on the calculation of the GPA of the student. A Student withdrawing after the 12th week shall be automatically awarded "F" grade which shall count in the GPA.

- **Moodle**

UMT –LMS (Moodle) is an Open-Source Course Management System (CMS), also known as a learning Management System (LMS). Participants should regularly visit the course website on MOODLE Course Management system, and fully benefit from its capabilities. If you are facing any problem using moodle, visit <http://oit.umd.edu.pk/moodle>. For further query send your queries to moodle@umd.edu.pk

- **Harassment Policy**

Sexual or any other harassment is prohibited and is constituted as punishable offence. Sexual or any other harassment of any participant will not be tolerated. All actions categorized as sexual or any other harassment when done physically or verbally would also be considered as sexual harassment when done using electronic media such as computers, mobiles, internet, emails etc.

- **Use of Unfair Means/Honesty Policy**

Any participant found using unfair means or assisting another participant during a class test/quiz, assignments or examination would be liable to disciplinary action.

- **Plagiarism Policy**

All students are required to attach a "Turnitin" report on every assignment, big or small. Any student who attempts to bypass "Turnitin" will receive "F" grade which will count towards the CGPA. The participants submit the plagiarism report to the resource person with every assignment, report, project, thesis etc. If student attempts to cheat "Turnitin", he/she will receive a second "F" that will count towards the CGPA. There are special rules on plagiarism for final reports etc. all outlined in your handbook.

- **Communication of Results**

The results of quizzes, midterms and assignments are communicated to the participants during the semester and answer books are returned to them. It is the responsibility of the course instructor to keep the participants informed about his/her progress during the semester. The course instructor will inform a participant at least one week before the final



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examination related to his or her performance in the course.

**Rubrics for all assessments (including mid and final exams) will be provided separately to the students.*

Weekly Sessions Plan:

Week	Topics / Contents	Activity	Application/Objectives PLO / CO / CLO
1	<ul style="list-style-type: none"> ● Course and class introduction ● Pre assessment with macroeconomics <p>Preface to Microeconomics</p> <ul style="list-style-type: none"> ● Market failure ● Consequences <p>Scope of Macroeconomics</p> <ul style="list-style-type: none"> ● Regulatory authority ● Aggregate behavior of individuals ● Evolution of Macro Economics ● Scope of Macro Economics ● Integration of Micro and Macro Economics ● Influence of Macroeconomics to different people in society ● Objectives of macroeconomics ● Difference between function and equation 	<p>Discussion w.r.t. Microeconomics</p>	All
2	<p>Measuring Economic Performance</p> <ul style="list-style-type: none"> ● Concepts of National Income ● Circular flow of National Income ● Measurement of National Income ● Special cases of GDP ● Income Approach ● Expenditure Approach ● Components of GDP ● Real vs nominal GDP ● GDP Deflator <p>Is GDP good measure of Economic wellbeing?</p>	<p>Skill Development, Lecture and Presentation slides</p> <p>Class Activity</p> <p>Assignment no. 1</p>	<p>PLO 1: Business knowledge</p> <p>PLO 6: Global and cultural competence</p>
3	<p>Measuring cost of living</p> <ul style="list-style-type: none"> ● Purpose of measurement ● The consumer price index 	<p>Quiz No. 1</p> <p>Skill Development,</p>	<p>CLO2 Empirical knowledge</p> <p>PLO 1: Business</p>



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	<ul style="list-style-type: none"> ● Problems in measuring cost of living ● The GDP Deflator versus the consumer price index ● Correcting economic variables for the effects of inflation ● Real and Nominal variables ● Costs of inflation 	Lecture and Presentation slides	knowledge
4	<p>Determinants of Growth & Productivity</p> <ul style="list-style-type: none"> ● Definition ● Factors of Production ● Short run / Long run ● Productivity ● Determinants of productivity <p>Discussion</p>	<p>Group Discussions</p> <p>Assignment No. 2</p> <p>Skill Development, Lecture and Presentation slides</p>	<p>PLO 1: Business knowledge</p> <p>PLO 6: Global and cultural competence</p>
5	<p>Gauging Joblessness</p> <ul style="list-style-type: none"> ● Identifying unemployment ● Discourages workers ● Why there is always some unemployment ● The theory of efficiency wages <p>Minimum wage laws</p>	<p>Lecture</p> <p>Class Activity/ Quiz 2</p>	PLO 6: Global and cultural competence
6	<p>Savings, Investment and the Financial System</p> <ul style="list-style-type: none"> ● Financial Institutions ● Financial Markets ● Financial Intermediaries ● Saving And Investment ● In The National Income Accounts <p>The Market For Loanable Funds under different policies</p>	Skill Development, Lecture and Presentation slides	<p>CLO2 Empirical knowledge</p> <p>PLO 1: Business knowledge</p>
7	<p>The Monetary System/ Banking System</p> <ul style="list-style-type: none"> ● Barter system ● Money: its meaning, function, kinds and scales ● The federal reserve system ● Banks and the money supply 	Skill Development by group discussion, Lecture and Presentation slides	<p>PLO 1: Business knowledge</p> <p>PLO 2: Problem solving</p> <p>PLO 5: Responsible business practice</p>



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	<ul style="list-style-type: none"> • Monetary Policy • Tools of monetary control <p>Conclusion</p>		PLO 6: Global and cultural competence
8	<p>Money Growth and Inflation</p> <p>The Classical Theory Of Inflation</p> <ul style="list-style-type: none"> • supply of money • demand of money • Money Market • Quantity theory of money • Money neutrality • The costs of Inflation <p>Discussions</p>	<p>Lecture and Presentation slides</p> <p>Class Activity</p> <p>Term paper discussion</p> <p>Presentation</p>	<p>PLO 2: Problem solving</p> <p>PLO 6: Global and cultural competence</p>
9	MID TERM	-	-
10	<p>Open Economy and Role of Trade</p> <ul style="list-style-type: none"> • The international flows of goods and capital • The prices of international transaction :real and nominal exchange rates • Purchasing power parity <p>Benefit of trade - Comparative and Absolute Advantage</p>	<p>Lecture</p> <p>Discussion</p>	<p>PLO 2: Problem solving</p> <p>CLO-2: How consumers consume throughout the life span.</p>
11	<ul style="list-style-type: none"> • Aggregate Demand & Aggregate Supply • Importance of fluctuations • Derivation of Aggregate Demand curve from the aggregate expenditure model • Shifts in AD curve • Aggregate Supply curve • Short run and Long run AS curve • Shifts in aggregate supply curves • Simultaneous Equilibrium of AD – AS Model • Relationship between prices and employment - Philips Curve <p>Applications</p>	<p>Lecture</p> <p>Class Assignment No. 3</p>	<p>PLO 6: Global and cultural competence</p> <p>CLO 3: Research implimentation</p>
12	<ul style="list-style-type: none"> • Misperception theories of Short run and Long run AS curve • Influence of Fiscal & Monetary policies on Aggregate Demand <p>Monetary Policy Influences AD</p>	<p>Lecture</p> <p>Class Activity2</p> <p>Quiz No. 3</p>	<p>CLO2Empirical knowledge</p> <p>PLO 1: Business knowledge</p>



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	Fiscal Policy Influences AD		PLO 2: Problem solving PLO 6: Global and cultural competence
13	<u>IS-LM framework</u> <ul style="list-style-type: none"> • IS curve and its derivation • LM curve and its derivation • Equilibrium in goods market and money market, shifts in IS-ILM	Lecture Assignment 4	PLO 6: Global and cultural competence
14	Short-Run Trade off B/W Inflation & Unemployment Sustainable Development Goals Major Macroeconomic Problems of Pakistan’s Economy.	Class Discussion Class Activity Quiz No. 4	CLO2 Empirical knowledge PLO 1: Business knowledge PLO 2: Problem solving
15	Five Debates over Macroeconomic Policy <ul style="list-style-type: none"> • Policy Options • Presentations and discussions Overview	Lecture Class Discussion on term paper/presentation	CLO2 Empirical knowledge PLO 1: Business knowledge PLO 2: Problem solving
16	Final Term Examination		

Primary Text Book (s):
<ul style="list-style-type: none"> ➤ Mankiw N G, “Macroeconomics” 7th edition, Thomson Learning. (USA) ➤ Mc Connel C, Brue S, and Flynn S. "Economics; Principles, Problems, and Policies" (21st Edition)-Mc graw Hill (USA) ➤ Robert Frank & Ben Bernanke “Principles of Economics (The Mcgraw-hill Series in Economics) 5th Edition



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Reference / Supplementary Reading (s):

1. Samuelson N. and Nordhaus W. (2010). Economics. McGraw Hill, Inc.
2. Blanchard O. and Johnson D. (Latest Edition). Macro Economics. Pearson Education

Useful Online / Web Resources:

- Will be provided in class