**The University of Jordan**

**Faculty of Agriculture Department of Agricultural Economics & Agribusiness Management**

**Program: 2013-2014/Second semester**

**Course Title: Macroeconomics for Agriculture (0605215)**

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| --- | --- | --- | --- | --- | --- |
| **Credit hours** | **3** | **Level** | **4 th year** | **Pre-requisite** | **Agricultural Economics** |
| **Coordinator/ Lecturer** | **Dr. Mohammad Tabieh** | **Office number** | **284** | **Office phone** | **22342** |
| **Course website** |  | **E-mail** | **m.tabieh@ju.edu.jo** | **Place** | **Prof.Abu Gharbieh Hall** |

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| --- |
| **Office hours** |
| **Day/Time** | **Sunday** | **Monday** | **Tuesday** | **Wednesday** | **Thursday** |
| **Day** | **12-2** | **-** | **12-2** | **\*** | **\*** |
| **Time** | **\*** | **10-12** | **\*** | **10-12** | **\*** |

**Course Description**

 This course presents students with an advanced undergraduate level treatment of macroeconomic theory and policy. The course provides a rigorous analysis of macroeconomic theory, building a modern macroeconomic modelling framework with emphasis on the role of monetary policy, fiscal policy and open economy influences on economic outcomes. Students will learn to debate and discuss current economic conditions and policies using rigorous theoretical frameworks. The course builds upon formulations of both macro and microeconomics and quantitative methods.

**Learning Objectives**

The Learning objectives of macroeconomics are the same as microeconomics, just on a larger scale. Macroeconomics studies the effects of decisions made by groups of people, rather than the effects of decisions made by just a few people. Inflation, unemployment, and exchange rates are all parts of macroeconomic theory -- the combined effect of aggregate decisions.

**Intended Learning Outcomes (ILOs):**

Successful completion of the course should lead to the following outcomes:

1. **Knowledge and Understanding:** Student is expected to

**A1-** Explain and discuss core principles in macroeconomics, which include macroeconomic issues of Basics of market economics, resources, and production possibilities, Gross Domestic Product and other indicators, Basics of unemployment, inflation, and economic growth**,** Consumption, Investment, Government spending, and Exports**,** [Aggregate Supply and Demand](http://en.wikibooks.org/wiki/Macroeconomics/Aggregate_Supply_and_Demand) - Basics of how an entire economy functions, [Fiscal Policy](http://en.wikibooks.org/wiki/Macroeconomics/Fiscal_Policy)**,** [Money](http://en.wikibooks.org/wiki/Macroeconomics/Money) - How money is created and why it works**,** [Monetary Policy](http://en.wikibooks.org/wiki/Macroeconomics/Monetary_Policy)**,** [Government Finances](http://en.wikibooks.org/w/index.php?title=Macroeconomics/Government_Finances&action=edit&redlink=1)

**A2-** Explain and discusse information transmitted by analytical methods and model-based argumentation in macroeconomics.

**A3-** Explain and discusse the situations in which different methodological approaches in macroeconomics

are appropriate.

**A4-** Understand the important role of graphical and mathematical analysis to explain macroeconomics and related disciplines;

**A5**- Be familiar with some concepts of fiscal and monetary policies those are essential for macroeconomics.

**B. Intellectual Analytical and Cognitive Skills:** Student is expected to

**B1**- Apply macroeconomic concepts that have a broad use for decision making (for example production possibilities, equilibrium, Gross Domestic Product and other indicators, Basics of unemployment, inflation, and economic growth**,** Consumption, Investment, Government spending, and Exports, [Fiscal Policy](http://en.wikibooks.org/wiki/Macroeconomics/Fiscal_Policy), [Monetary Policy](http://en.wikibooks.org/wiki/Macroeconomics/Monetary_Policy)and[Government Finances](http://en.wikibooks.org/w/index.php?title=Macroeconomics/Government_Finances&action=edit&redlink=1) ).

**B2**- Communicate ideas, information, and concepts in writing by means appropriate to various problems

in macroeconomics.

**B3-** Solve problems in macroeconomics using graphical, tabular, algebraic, and calculus-based techniques.

**C. Subject- Specific Skills:** Students is expected to

**C1**- Analyse macroeconomics from relevant scientific, societal and ethical aspects.

**C2**- Demonstrate developed or improved skills in basic arithmetic, the ability to handle algebraic manipulations and the ability to solve simple optimisation problems.

**C3**- demonstrates significantly improved numeracy and the ability for logical and structured problem analysis.

**C4**- Demonstrate developed or improved skills to differentiate functions in one or several variables, the ability to handle algebraic manipulations and the ability to solve simple optimisation problems;

**C5**- Develop the skills to differentiate functions in several variables, the ability to solve economic optimisation problems and basic the skills of matrix manipulation

**C6-** Have developed basic skills to analyse models from microeconomics and macroeconomics;

**D. Transferable Key Skills:** Students is expected to

**D1**- Have improved their numeracy and also their ability for logical and structured problem analysis

**D2**- Apply mathematical methods and techniques that are formulated in abstract settings to concrete economic applications.

**D3**-Possess general study skills, including the ability to learn independently using a variety of media.

**D4**-Have good time-management and organizational skills.

**D5**- Have highly developed skill of numeracy and general IT skills.

**D6**- Have good communication skills.

# ILOs: Learning and Evaluation Methods

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| **ILO/s** | **Learning Methods** | **Evaluation Methods** |
| **A**. Knowledge and Understanding (**A1-A5**) | Lectures and Discussions | Exam, Quiz, assignment |
| **B**. Intellectual Analytical and Cognitive Skills (**B1-B3**) |  Lectures and Discussions | Exam, Quiz, assignment |
| **C**. Subject Specific Skills (**C1-C6**) | Lectures and Discussions | Exam, Quiz, assignment |
| **D**.Transferable Key Skills (**D1-D6**) | Assignment & Presentation | Assignment & presentation evaluation. |

**Course Contents**

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| No. of lecture (s) /Week | Subject | Sources | ILOs |
| 1 | **The Economy** Goals for the Economy, The Circular Flow – a Picture of the Economy: Withdrawals from the Economy , Injections into the Economy | 1, Ch 20 **Karl E. Case**.2, Ch 1,2 **Al-Wazany** | A-1, A-2, A-3, B-1, B-2, B-3, C-1,C-6 |
| 1. & 3
 | **Measuring the Economy:** Aggregate Demand Definition, Measuring Aggregate Demand (Consumption + Investment + Government Spending + Net Exports), Manipulating AD through Fiscal Policy | 1, Ch 21 **Karl E. Case**2, Ch 4,5 **Al-Wazany**5, Ch 6, Ch 9 | A-4, A-5. B-3, C-2, C-3. D-2 |
| 4&5 | **Employment vs. Unemployment** Defining the Labor Force, Measuring the Unemployed vs. the Employed 1- Unemployment Rate, 2- Participation Rate, 3- Employment Rate. Components of the Unemployment Rate, The Costs of Unemployment | 1, Ch 22 **Karl E. Case**2, Ch 12 **Al-Wazany**5, Ch 8 | A-4, A-5, A-7. B-3, C-2, C-3. D-2 |
| 6  | **Economic Growth** – The Gross Domestic Product : 1- Practical Examples, 2- Defining GDP, 3- Major Components of GDP, 4- What GDP does NOT Measure, 5-Real GDP vs. Nominal GDP | 1, Ch 32, 36 **Karl E. Case**2, Ch 18 **Al-Wazany**5, Ch 17 | A-1, A-2, A-3, B-1, B-2, B-3. C-1, C-6. D-1, D-2. |
| 7 | **Inflation :** Measuring Inflation – The Consumer Price Index**,** Effects of Inflation**,** Nominal vs. Real Interest Rates**,** Defining the Core Rate of Inflation | 1, Ch 22 **Karl E. Case**2, Ch 12 **Al-Wazany**5, Ch 8 | B-1, B-2, B-3. C-2, C-3, C-4, C-5, C-6. D-1, D-2 |
| 8&9&10 | **Money**: An Overview of Money, What Is Money? Commodity and Fiat Monies, Measuring the Supply of Money in the United States, The Private Banking System, **How Banks Create Money:**A Historical Perspective: Goldsmiths, The Modern Banking System, The Creation of Money, The Money Multiplier, **The Federal Reserve System**: Functions of the Federal Reserve, The Federal Reserve Balance Sheet, How the Federal Reserve Controls the Money SupplyThe Required Reserve RatioThe Discount RateOpen Market OperationsThe Supply Curve for Money, Functions of Money, Characteristics of Money | 1, Ch 25, 26, 27 **Karl E. Case**2, Ch 13, 14 **Al-Wazany**5, Ch 13, 14 | B-1, B-2, B-3. C-2, C-3, C-4, C-5, C-6. D-1, D-2 |
| 11&12 | **The Government and Fiscal Policy****Government in the Economy**Government Purchases (*G*), Net Taxes (*T*), and Disposable income (*Yd*)The Determination of Equilibrium Output(Income)**Fiscal Policy at Work: Multiplier Effects**The Government Spending MultiplierThe Tax Multiplier The Balanced-Budget Multiplier | 1, Ch 24 **Karl E. Case**2, Ch 8, 9, 10 **Al-Wazany**5, Ch 12 | A-1, A-2, A-3, A-4, A-5. B-1, B-2, C-1, C-2, C-3, C-4, C-5, C-6. D-1, D-2 |
| 13&14 | **International Trade, Comparative Advantage and Protectionism****Trade Surpluses and Deficits****The Economic Basis for Trade: Comparative Advantage**, Absolute Advantage versus Comparative Advantage, Terms of Trade, Exchange Rates**The Sources of Comparative Advantage****Trade Barriers: Tariffs, Export, Subsidies, and Quotas**U.S. Trade Policies, GATT, and the WTO**Free Trade or Protection?**The Case for Free Trade The Case for Protection | 1, Ch 34 **Karl E. Case**2, Ch 16 **Al-Wazany** | A-1, A-2, A-3, A-4, A-5. B-1, B-2, C-1, C-2, C-3, C-4, C-5, C-6. D-1, D-2 |
| 15&16 | **Open-Economy Macroeconomics: The Balance of Payments and Exchange Rates****The Balance of Payments**The Current AccountThe Capital Account**Equilibrium Output (Income) in an Open Economy**The International Sector and Planned Aggregate Expenditure**Imports and Exports** and the Trade Feedback EffectImport and Export Prices and the Price Feedback Effect**The Open Economy with Flexible Exchange Rates**The Market for Foreign ExchangeFactors That Affect Exchange RatesThe Effects of Exchange Rates on the Economy | 1, Ch 35 **Karl E. Case**2, Ch 17 **Al-Wazany**5, Ch 7 | A-1, A-2, A-5. B-1, B-2, B-3. C-2, C-3, C-5. D-1, D-2, D-3, D-4 , D-5, D-6 |

**Learning Methodology**

 The course will be structured in lectures, discussions, theoretical and practical exercises. The course comprises overviews, from general understanding to expert knowledge on key topics, and learning is based on lectures as well as independent learning through exercises, assignments, Discussions and Review Sheets.

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| Evaluation | Point % | Date |
| Midterm Exam   | 30% | 28/4/2014 |
| Quizzes, Assignments and Presentation | 20% | At the end of each topic |
| Final Exam  | 50% | Will be announcing from register. |

**Main Reference/s:**

1. **Principles of Economics**, 9/E, **Karl E. Case**, Ray C. Fair, Yale University, Sharon OsterproductFormatCode=C02
productCategory=10
statusCode=8
isBuyable=false
subType=sub
path/ProductBean/courseSmart

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 **مبادئ الاقتصاد الكلي بين النظرية والتطبيق**, خالد الوزني وأحمد الرفاعي, دار وائل للنشر, الطبعة التاسعة, عمان – الاردن , 2008**- 2**

# References:

1. <http://wps.prenhall.com/bp_casefair_econ_9/100/25696/6578329.cw/index.html>
2. <http://faculty.ksu.edu.sa/74281/Pages/%D9%85%D8%A8%D8%A7%D8%AF%D8%A6%D8%A7%D9%84%D8%A7%D9%82%D8%AA%D8%B5%D8%A7%D8%AF%D8%A7%D9%84%D9%83%D9%84%D9%8A.aspx>
3. <http://www.oswego.edu/~kane/eco200.htm>

**Intended Grading Scale (Optional)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **From (%)** | **To (%)** | **Scale** | **Mark** | **Result** |
| 0 | 44 | 0 | H | Fail |
| 45 | 47 | 0.75 | D- | Fail |
| 48 | 54 | 1 | D | Accepted |
| 55 | 60 | 1.5 | D+ | Accepted |
| 61 | 63 | 1.75 | C- | Good |
| 64 | 66 | 2 | C | Good |
| 67 | 72 | 2.5 | C+ | Good |
| 73 | 75 | 2.75 | B- | Very Good |
| 76 | 78 | 3 | B | Very Good |
| 79 | 84 | 3.5 | B+ | Very Good |
| 85 | 87 | 3.75 | A¯ | Excellent |
| 88 | 100 | 4 | A | Excellent |

**Notes:**

* Concerns or complaints should be expressed in the first instance to the module lecturer; if no resolution is forthcoming, then the issue should be brought to the attention of the module coordinator (for multiple sections) who will take the concerns to the module representative meeting. Thereafter, problems are dealt with by the Department Chair and if still unresolved the Dean and then ultimately the Vice President. For final complaints, there will be a committee to review grading the final exam.
* For more details on University regulations please visit:

 <http://www.ju.edu.jo/rules/index.htm>