



AL MUSANNA COLLEGE OF TECHNOLOGY

DEPARTMENT OF BUSINESS STUDIES

BAEC 2204	Principles of Macroeconomics	3 Credit Hours
Prerequisites:	BAEC1203 Principles of Microeconomics	
Goal	The goal is to equip students with a basic understanding of microeconomic concepts which will help them to study the behavior of the individual economic decision units like households and firms. The course is also expected to familiarize the students with fundamental economic issues and problems in a real world scenario and develop application skills in the same.	
Objectives	Outcomes	
The course enables the student understand the key aspects and areas of Macroeconomics to be able to develop overall knowledge of large – scale economic phenomena.	<ol style="list-style-type: none"> 1. Introduction to macroeconomics 2. National income and related aggregates 3. Measurement of national income: <ol style="list-style-type: none"> a. Product method / added value b. Income method c. Aggregate expenditure method 4. Aggregate demand & aggregate supply, and equilibrium <ul style="list-style-type: none"> • AD=AS method , the unity of Saving = Investment method 5. Determination of income and employment 6. Consumption, saving function 7. Concept of multiplier 8. Excess and deficit demand <ul style="list-style-type: none"> • Inflationary gap, deflationary gap the macro problems resulting in each • Consumer price index and Inflation (to be taught by the teacher in the class) • Fiscal and monetary policies 9. Money meaning and functions 10. Banking system 11. Foreign exchange rate 	