

ECN 1215 Introduction to Macroeconomic Theory: Course Outline 2021/22

The University of Zambia,

School Of Humanities and Social Sciences,

Department of Economics

- Course Name: INTRODUCTION TO
MACROECONOMIC THEORY
- COURSE CODE: ECN 1215
- Pre-requisite: None
- Course Lecturer: Bona Chitah, PhD
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Rationale:

- In introducing students to the study of economics, particularly macroeconomics, this course will form a solid foundation for students in understanding the basics of the economics approach to the study human behaviour from an aggregate point of view.
- The course applies macroeconomic concepts and theories in a range of contexts and to appreciate their value and limitations in explaining real world phenomena.

Course Aim

- This course is designed to introduce students to the study of macroeconomics.
- The course essentially deals with the concepts of national income determination, money and banking, public finance and international trade.
- Examples and applications, as much as is practical and feasible will reference Zambian experiences and subsequently draw on a mix of regional and international or global experiences.

Course Objectives

- By the end of this course students are expected to:
 - Demonstrate an understanding of the nature and methodology of macroeconomics.
 - Show knowledge of the concepts of national income determination, money and banking, public finance, and international trade.
 - Demonstrate the foundation necessary for the study of intermediate macroeconomics.

Course Content

WEEK ONE

1. Study and Methodology of Macroeconomics

- Basic Definitions
- Normative and positive approach; policy relevance.

WEEKS TWO; THREE, FOUR, FIVE

2. National Income

- Circular Flow.
- National Income Accounting
- Real vs. nominal – price indices
- Determinants of national income; income and expenditure model (Keynes in his simplest form).

WEEKS SIX, SEVEN

3. Unemployment

- Definition
- Types
- Causes and remedies
- Effects.

WEEKS EIGHT, NINE

4. Government Sector

- Public Finance.
- The budget incl. debt management.
- Fiscal Policy.

WEEK TEN

5. The Monetary Sector

- What is money?
- The banking system and the Central Bank.
- Monetary Policy.

WEEKS ELEVN, TWELVE, THIRTEEN

6. Inflation

- Definitions
- Causes and cures
- Effects

- WEEKS THIRTEEN, FOURTEEN

7. External Sector

- Trade
- Balance of Payments
- Exchange Rates

Method of Teaching

- Four contact hours consisting of three lectures and one tutorial
- Course Assessment
- Continuous Assessment 50 %
 - One assignment 20%
 - Two tests 30%
- Final Examination 50 %

Readings/Texts

- **REQUIRED READING**

- Begg, D., Fischer, S. & Dornbusch, R., 2003. Economics. 7th ed. London: MaGraw-Hill.

- **RECOMMENDED READING**

- Hardwick, P. Khan, B. & Langmead, J., 2006. Introduction to Modern Economics. London: Longman.

