

**Undergraduate Business Faculty
Module Descriptors
Spring 2019**

BA (Hons) in Business Studies

STAGE 1

Module	Macroeconomics
Course code	BABSH-MAC
Credits	5
Allocation of marks	40% Continuous Assessment
	60% Final Examination

Intended Module Learning Outcomes

On successful completion of this module, the learner will be able to:

1. Explain the objectives of government macroeconomic policy and describe how they can be pursued
2. Define and measure national income and rates of unemployment and inflation.
3. Describe the causes and consequences of inflation and unemployment
4. Explain the role of the European Central Bank and how exchange rates and interest rates are determined
5. Construct the aggregate demand and aggregate supply model of the macro economy and use it to illustrate macroeconomic problems and possible fiscal policy and monetary policy solutions
6. Discuss the importance of international trade

Module Objectives

Economics underpins a great deal of decision-making not only in business but also at government level and as such is an essential cornerstone of this programme.

Economics is typically divided into two main branches namely microeconomics and macroeconomics. While microeconomics examines the individual parts of the economy macroeconomics is concerned with the economy as a whole and the role played by government. This module is designed to introduce learners to the macroeconomic environment and the principles underlying macroeconomic policies and government strategies.

Module Curriculum

Introduction to Macroeconomics

- Macroeconomic Objectives and Policies
- The Circular Flow of Income
- Measuring National Income
- Economic Growth and The Business Cycle

- Aggregate Demand and Supply

The Determination of National Income and the Role of Fiscal Policy

- Equilibrium Level of National Income
- Keynesian Theory and the Multiplier
- The Role and Effectiveness of Fiscal Policy
- The Government Budget and the National Debt

Money and Banking

- How Banks Create Money
- Money Multiplier
- Measures of Money and the Money Supply
- The Demand for Money

Monetary Policy

- The Role of the Central Bank and The European Central Bank
- Instruments of Monetary Policy
- Effectiveness of Monetary Policy
- Interest Rate Determination
- Quantitative Easing

Unemployment, Inflation and Growth

- The Labour Market
- Types of Unemployment
- The Cost of Unemployment
- Causes and Consequences of Inflation
- The Link Between Money, Expenditure, Prices and Output
- Demand Side and Supply Side Policies

Balance of Payments and Exchange Rates

- Balance of Payments Account
- Determining Exchange Rates
- Fixed versus Floating Exchange Rates

International Trade

- Gains from Trade
- Comparative Advantage
- Restrictions on Trade
- Trading Blocs