

Module	Principles of Macroeconomics
Course code	BABH-PMAE
Credits	5
Allocation of marks	40% Continuous Assessment
	60% Final Examination

Module aims and objectives

This module introduces learners to the macroeconomic environment and the principles underlying macroeconomic policies. In particular, it addresses the causes and consequences of aggregate changes in the economy such as inflation, GDP, unemployment and economic growth. Macroeconomics also examines and explores the role of government in influencing the direction of the economy through fiscal and monetary policies. This module also provides learners with real-world scenarios of how economies throughout the globe interrelate.

Minimum intended module learning outcomes

On successful completion of this module, learners are able to:

- (i) Explain the objectives of government macroeconomic policy and describe how they can be pursued
- (ii) Define and measure national income and rates of unemployment
- (iii) Describe the causes and consequences of inflation and unemployment
- (iv) Explain the role of the European Central Bank and how exchange rates and interest rates are determined
- (v) Identify macroeconomic problems and propose possible fiscal and monetary policy solutions
- (vi) Discuss the importance of international trade and sustainability.

Rationale for inclusion of the module in the programme and its contribution to the overall MIPLOs

Macroeconomics examines the behaviour and performance of the economy under which every business operates and as such is an essential cornerstone of the programme. This module advances the learner's understanding of the domestic economy and its interaction with the wider global economy. The module also allows the learner to develop their analytical and problem-solving skills through the application of macroeconomic principles and theories. Furthermore, the module demonstrates the impact of macroeconomic variables and macroeconomic policy on business decision making.

Modules at stage 1 and 2 do not have an NFQ level and so do not map directly to the Business Awards Standards. However, these modules give the learners the fundamental business knowledge they need to achieve the MIPLOs at award stage which is at level 8 on

the NFQ. In that context this module supports the achievement of MIPLOs 1, 2, 4, 6, 10, and 13.

Information provided to learners about the module

Learners enrolled on this module initially receive a copy of the module descriptor, assessment briefs and assessment strategy. These materials are given directly by the lecturer but also by the year head as part of the Semester Schedule Handbook for stage 1 modules of the programme. All content is provided on Moodle as well as access to additional content through the library and online resources.

Module content, organisation and structure

Introduction to Macroeconomics

- Objectives of Macroeconomic Policy
- 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
- Public Finances and the National Debt
- Demand Side and Supply Side Policies

Money and Banking

- How Banks Create Money
- Money Multiplier
- Measures of Money and the Money Supply
- The Liquidity Preference Theory

Monetary Policy

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

Unemployment and Inflation

- The Labour Market
- Types of Unemployment
- The Cost of Unemployment
- Causes and Consequences of Inflation

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
- Challenges of Sustainability
- Trading Blocs

Module teaching and learning (including formative assessment) strategy

Economics is a subject that often needs layer upon layer of reinforcement before concepts are fully digested. To facilitate this, the concepts are initially presented to the learners through formal lectures. To ensure deep learning and strong foundations of knowledge, the lecture topics where possible are linked to current economic events and business scenarios.

In addition to lectures, supporting tutorials are also used and learners are encouraged to participate through class debates and discussion. Formative feedback is given in tutorials and following the assignment submission. The results of the assignment inform the tutorial sessions that follow. Videos and live links to the web are also used to generate discussion and demonstrate the currency of the material presented. Moodle is used extensively to provide online support to the learners and they are also required to read extensively on the subject matter.

Work-based learning and practice-placement

There is no work-based learning or practical placement in the module.

E-learning

The College's virtual learning environment, Moodle, is used to disseminate notes, advice and online resources to support the learners. The learners are also given access to a range of eLearning videos relating to economics. Online classes and seminars are provided for learners undertaking the 'Blended Learning' courses.

Learners are educated on the concepts of conducting online literature reviews and research, the use of appropriate reference sites, the use of reference recording software (Zotero), and the concepts of plagiarism and the use of Turnitin.

Module physical resource requirements

The module requires a lecture hall with capacity to hold at least 100 learners, including projection and video recording capability, internet access and presentation software such as document readers for use by the lecturer; tutorial rooms to accommodate 25 learners; online broadcasting and recording capability to stream and store lectures online.

Reading lists and other information resources

Primary Reading

Slooman, J., Garratt, D. and Guest, J. (2018) *Essentials of Economics*, 10th edition. Harlow: Pearson Education.

Secondary Reading

Case, K., Fair, R. and Oster, S. (2017) *Principles of Economics*, 12th Edition. Upper Saddle River, NJ: Prentice Hall.

Greenlaw, S.A. and Shapiro, D. (2018) *Principles of Economics*, 2nd Edition. Houston, TX: OpenStax. Available at: <https://openstax.org/details/books/principles-economics-2e>

Honohan, P. (2019) *Currency, Credit and Crisis: Central Banking in Ireland and Europe (Studies in Macroeconomic History)*. Cambridge University Press.

Mankiw, N. (2019) *Principles of Economics*, 9th Edition. Andover, Hampshire: Cengage Learning.

O'Hagan, J. and O'Toole, F. (2017) *The Economy of Ireland*, 13th edition. London: Red Globe Press.

Print Material

Useful magazines and newspapers include: *The Economist*, *Business Plus* and *The Sunday Business Post*.

Web and App-Based:

Bloomberg Business

Central Statistics Office www.cso.ie

David Smith: <http://www.economicsuk.com/blog/>

Economic and Social Research Institute www.esri.ie

ET – *Economic Times*

Greg Mankiw: <http://gregmankiw.blogspot.com/>

Martin Wolf: <http://www.ft.com/comment/columnists/martinwolf>

Tim Harford: <http://timharford.com/>