

Subject Title: Intermediate Macroeconomics (232201)

Course Teacher: Md. Mahbubul Alam (T-07) and Md. Ali Ahsan (T-10)

Chapter No & Chapter Title	Number of Classes with Class Title	Learning Outcomes At the end of the class the students would be able to
1. An Overview of AD-AS Model (T-10)	1. Factors Determining Aggregate Demand (AD) and Aggregate Supply (AS)	<ol style="list-style-type: none"> 1. Define Aggregate Demand (AD) and Aggregate Supply (AS) and explain their significance in macroeconomics. 2. Identify and analyze the key factors that influence AD, including consumption, investment, government spending, and net exports. 3. Explain the determinants of AS, including resource availability, technological progress, and government policies. 4. Examine how changes in AD and AS can impact national output, employment, and price levels.
	2. The AD and AS Curves in Classical and Keynesian Views	<ol style="list-style-type: none"> 1. Illustrate and explain the shape of the AD curve and the factors influencing its slope and shifts. 2. Compare and contrast the Classical and Keynesian perspectives on the AS curve. 3. Analyze the implications of the Classical vertical AS curve and the Keynesian AS curve with its three distinct phases. 4. Evaluate the role of government intervention in stabilizing the economy according to both Classical and Keynesian theories.
2 Goods Market (T-7)	3. Simple Keynesian Income Determination Model (Mathematical and Graphical Approach)	<ol style="list-style-type: none"> 1. Graph the equilibrium level of income in the Keynesian framework. 2. Analyze the relationship between aggregate demand and national income. 3. Solve for the equilibrium income using the Keynesian income determination model.
	4. Various Concepts of the Multiplier (Simple and Extended)	<ol style="list-style-type: none"> 1. Distinguish between the simple and extended multiplier. 2. Apply the multiplier formula to calculate changes in income based on changes in autonomous spending. 3. Analyze the implications of the multiplier for fiscal policy.
	5. Theory of Acceleration	<ol style="list-style-type: none"> 1. Calculate the acceleration effect and its impact on the economy. 2. Analyze the relevance of the acceleration principle in real-world economic scenarios.
3 Consumption and Investment (T-10)	6. Consumption Theories – Absolute, Relative, Permanent, and Life-Cycle Hypothesis	<ol style="list-style-type: none"> 1. Define and explain the Absolute, Relative, Permanent, and Life-Cycle income hypotheses. 2. Compare and contrast these four consumption theories in terms of their assumptions and implications. 3. Analyze how income expectations influence consumer spending and saving behavior. 4. Evaluate the relevance of these consumption theories in modern economies.

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	7. Types of Investment and Determinants of Investment	<ol style="list-style-type: none"> 1. Define and differentiate between various types of investment (fixed, inventory, residential, financial, and human capital). 2. Identify the key factors that influence investment decisions, such as interest rates, business expectations, and government policies. 3. Analyze the role of macroeconomic stability and investor confidence in shaping investment levels. 4. Examine the impact of fiscal and monetary policies on investment behavior.
	8. Present Value (PV) Criterion and Marginal Efficiency of Investment (MEI)	<ol style="list-style-type: none"> 1. Explain the Present Value (PV) criterion and its role in investment decision making. 2. Define and analyze the Marginal Efficiency of Investment (MEI) and its determinants. 3. Examine the relationship between interest rates, MEI, and investment levels. 4. Evaluate how businesses assess investment projects using PV and MEI principles.
	9. Desired Capital Stock and Capital Stock Adjustment	<ol style="list-style-type: none"> 1. Define and explain the concept of desired capital stock and how it affects investment. 2. Analyze how firms adjust their capital stock over time based on economic conditions. 3. Discuss the factors affecting capital stock adjustment, including depreciation and technological progress. 4. Evaluate the role of financial constraints and risk in investment decisions.
	10. Investment Decision-Making and Risk Considerations	<ol style="list-style-type: none"> 1. Explain the key criteria businesses use when making investment decisions. 2. Analyze the role of risk, uncertainty, and expectations in investment planning. 3. Compare short-term and long-term investment strategies. 4. Evaluate the impact of changing macroeconomic conditions on investment decision-making.
	11. Total Present Value (TPV), Net Present Value (NPV), and Internal Rate of Return (IRR) Methods	<ol style="list-style-type: none"> 1. Define and explain TPV, NPV, and IRR as investment evaluation methods. 2. Apply these methods to assess investment projects. 3. Compare the advantages and limitations of each investment appraisal method. 4. Evaluate real-world investment decisions using these techniques.
	12. Investment Demand and Its Impact on Output Growth	<ol style="list-style-type: none"> 1. Explain the relationship between investment demand and economic output growth. 2. Analyze how investment contributes to productivity and long-run economic expansion. 3. Discuss factors that influence aggregate investment demand. 4. Evaluate policies that promote investment-led growth.

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4 Money Market (T-7)	13. Introduction to Money Market and Quantity Theory of Money	<ol style="list-style-type: none"> 1. Explain the Quantity Theory of Money and its significance. 2. Analyze the relationship between money supply, velocity of money, and price levels. 3. Understand the basic equation of exchange: $MV = PY$
	14. Demand for Money and Types of Demand	<ol style="list-style-type: none"> 1. Differentiate between transaction demand, precautionary demand, and speculative demand. 2. Analyze how interest rates influence the demand for money. 3. Examine the factors that determine the demand for money in an economy.
	15. Money Supply, Interest Rates & Interaction of Demand and Supply of Money	<ol style="list-style-type: none"> 1. Explain the interaction between money supply and money demand. 2. Analyze how interest rates are determined in the money market. 3. Understand the impact of changes in money supply on interest rates and vice versa.
	16. Money Market Models - Baumol-Tobin and Friedman's Models	<ol style="list-style-type: none"> 1. Use the square root formula of the Baumol-Tobin model to determine optimal cash holdings. 2. Understand Friedman's approach to money demand and the role of long-run expectations.
5. IS-LM Model (T-10)	17. Deriving the IS and LM Curves	<ol style="list-style-type: none"> 1. Explain the relationship between interest rates and output in the goods market to derive the IS curve. 2. Analyze the factors that shift the IS curve, including fiscal policy and autonomous spending changes. 3. Explain the relationship between interest rates and money demand in the money market to derive the LM curve. 4. Analyze the factors that shift the LM curve, including changes in money supply and liquidity preferences.
	18. 2. IS-LM Model and Simultaneous Equilibrium	<ol style="list-style-type: none"> 1. Explain how the IS and LM curves interact to determine simultaneous equilibrium in the goods and money markets. 2. Analyze how shifts in the IS or LM curves affect output and interest rates. 3. Evaluate the effectiveness of monetary and fiscal policy within the IS-LM framework. 4. Examine real-world applications of the IS-LM model in macroeconomic analysis.
	19. 3. Deriving the Aggregate Demand (AD) Curve and Changes in Equilibrium	<ol style="list-style-type: none"> 1. Explain how the IS-LM model leads to the derivation of the Aggregate Demand (AD) curve. 2. Analyze the factors that shift the AD curve and their macroeconomic implications. 3. Examine how changes in monetary and fiscal policies influence macroeconomic equilibrium. 4. Evaluate the effects of supply shocks and demand shocks in the IS-LM-AD framework.

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	20. 4. Monetary and Fiscal Policy in the IS-LM Model; Liquidity Trap and Crowding-Out Effect	<ol style="list-style-type: none"> 1. Explain how monetary and fiscal policies influence output and interest rates within the IS-LM model. 2. Analyze the concept of the liquidity trap and its implications for monetary policy effectiveness. 3. Examine the crowding-out effect and its impact on fiscal policy efficiency. 4. Evaluate real-world scenarios where monetary or fiscal policy may be constrained by these effects.
6 Labor Market and Aggregate Supply (T-7)	21. Demand for and Supply of Labor	<ol style="list-style-type: none"> 1. Illustrate labor market equilibrium using supply and demand curves. 2. Analyze how shifts in labor demand and supply impact wages and employment levels. 3. Assess the role of government policies (e.g., minimum wage laws, labor regulations) in the labor market.
	22. Expectations and Aggregate Supply (AS); Introduction to Formation of Expectations	<ol style="list-style-type: none"> 1. Explain how expectations (adaptive vs. rational expectations) influence AS. 2. Discuss the role of inflation expectations in wage-setting and employment. 3. Evaluate how policy decisions shape expectations and affect macroeconomic stability.
	23. Supply-Side Disturbances and Their Effects	<ol style="list-style-type: none"> 1. Explain how supply shocks impact employment, wages, and overall economic output. 2. Analyze the policy responses to negative and positive supply-side shocks. 3. Assess the implications of supply-side disturbances on long-run economic growth.
	24. Wage Determination and Equilibrium Unemployment	<ol style="list-style-type: none"> 1. Define and differentiate between full employment, unemployment, and over-employment equilibrium. 2. Describe equilibrium unemployment and its components (frictional, structural and cyclical). 3. Evaluate labor market policies aimed at reducing unemployment and improving wage efficiency.
7 Macroeconomic Equilibrium (T-10)	25. 1. Putting Aggregate Demand (AD) and Aggregate Supply (AS) Together	<ol style="list-style-type: none"> 1. Explain how the AD and AS curves interact to determine equilibrium output and price levels. 2. Analyze short-run and long-run equilibrium in the AD-AS model. 3. Examine the effects of demand-side and supply-side shocks on macroeconomic equilibrium. 4. Evaluate the role of expectations in influencing AD-AS outcomes.
	26. 2. Monetary Policy in the Static AD-AS Model	<ol style="list-style-type: none"> 1. Explain how central banks use monetary policy to influence AD and stabilize the economy. 2. Analyze the transmission mechanism of monetary policy through interest rates, investment, and aggregate demand. 3. Evaluate the effectiveness of monetary policy in different economic conditions (e.g., inflationary vs. recessionary gaps). 4. Discuss the limitations of monetary policy, including time lags and liquidity traps.

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	27. 3. Fiscal Policy in the Static AD-AS Model	<ol style="list-style-type: none"> 1. Explain how governments use fiscal policy to influence aggregate demand and output. 2. Analyze the impact of expansionary and contractionary fiscal policies in the AD-AS framework. 3. Evaluate the effectiveness of fiscal policy under different conditions, including crowding-out effects and multiplier effects. 4. Discuss the trade-offs and policy dilemmas associated with fiscal interventions.
8. Inflation (T-7)	28. Understanding Inflation and Unemployment	<ol style="list-style-type: none"> 1. Differentiate between types of inflation (demand-pull vs. cost-push) and types of unemployment (frictional, structural and cyclical). 2. Analyze the relationship between inflation and unemployment in economic theory. 3. Evaluate the impact of inflation and unemployment on economic stability and growth.
	29. The Short-Run Phillips Curve and Its Implications	<ol style="list-style-type: none"> 1. Illustrate the inverse relationship between inflation and unemployment in the short run. 2. Analyze how demand-side policies (monetary and fiscal) influence the Phillips Curve. 3. Discuss the role of expectations and wage-setting in short-run inflation-unemployment trade-offs.
	30. The Long-Run Phillips Curve and the Role of Expectations	<ol style="list-style-type: none"> 1. Discuss the concept of the natural rate of unemployment and its determinants. 2. Analyze how rational and adaptive expectations influence inflation and unemployment in the long run. 3. Evaluate the policy implications of the long-run Phillips Curve for economic stabilize
	31. Inflation, Unemployment, and Policy Trade-offs	<ol style="list-style-type: none"> 1. Evaluate the effectiveness of fiscal policies in managing inflation and employment levels. 2. Discuss the role of supply-side policies in addressing structural unemployment and inflation. 3. Analyze real-world examples of inflation-unemployment trade-offs and policy responses