- COURSE TITLE: **MACROECONOMICS (312203)**
- COURSE TEACHER: **Wasim Md Mazbahul Haque (T-1), & Md. Mohiul Islam Talukder (T-2)**

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. Overview of Macroeconomics (T-1)	1. Basic macroeconomic concepts	1. Explain fundamental macroeconomic concepts, including the business cycle, monetary cycles, employment trends, and price level fluctuations. 2. Describe the phases of the business cycle (expansion, peak, contraction, and trough) and their impact on economic stability. 3. Evaluate how changes in employment levels, inflation, and economic cycles influence fiscal and monetary policies. 4. Assess the role of central banks and government interventions in stabilizing economic fluctuations and promoting sustainable growth..
	2. GNP and Unemployment	1. Explain the concepts of Potential GNP, GNP Gap, and Economic Growth, and how they relate to an economy’s overall performance. 2. Describe Okun’s Law and the Natural Rate of Unemployment, emphasizing their role in understanding labor market dynamics and economic fluctuations. 3. Evaluate how deviations from potential GNP (positive and negative GNP gaps) impact inflation, employment, and policy decisions. 4. Assess the relationship between unemployment and economic growth using Okun’s Law, and discuss strategies for reducing unemployment while maintaining stable growth.
	3. Goods market and money market	1. Explain how the goods market (IS curve) and money market (LM curve) interact to determine equilibrium output and interest rates in an economy. 2. Describe the role of aggregate demand, investment, and monetary policy in shaping the equilibrium in both markets. 3. Evaluate how fiscal and monetary policy shifts impact output, interest rates, and overall economic stability through the IS-LM framework. 4. Assess real-world scenarios where changes in money supply and government spending influence macroeconomic equilibrium
2. Income Determination (T-2)	4. Classical income and employment theories	1. Explain the key assumptions of classical employment theories. 2. Analyze the strengths and weaknesses of classical employment theories in explaining real-world labor market conditions.
	5. Keynesian income and employment theories	1. Explain the key principles of Keynesian income and employment theories. 2. Evaluate the impact of fiscal and monetary policies in managing economic fluctuations.

	6. Theory of multiplier.	1. Explain the concept of the multiplier. 2. Analyze the factors that influence the size of the multiplier effect, such as marginal propensity to consume and marginal propensity to save
	7. Government fiscal measure and changes in multiplier	1. Examine the effects of government fiscal measures. 2. Analyze how alterations in tax structure and foreign trade policies impact the magnitude of the multiplier
3. Money Demand and Money Supply (T-1)	8. Pre Keynesian, Keynesian demand for Money	1. Explain the key assumptions of the Classical (Pre-Keynesian) and Keynesian approaches to money demand. 2. Identify the differences between the Quantity Theory of Money and Keynes' Liquidity Preference Theory. 3. Examine the three motives for holding money in Keynesian theory: transactions, precautionary, and speculative motives. 4. Assess the impact of interest rates and income levels on money demand under Keynesian theory.
	9. Cambridge demand for Money	1. Explain the key principles of the Cambridge cash-balance approach, including the role of money as a store of value. 2. Differentiate between the Cambridge demand theory and the Quantity Theory of Money. 3. Evaluate how income levels, expectations, and economic stability influence individuals' demand for money. 4. Apply the Cambridge equation (M^d=kPY) to real-world economic scenarios and policy implications.
	10. Baumol–Tobin demand for Money	1. Describe how the Baumol–Tobin model integrates transaction costs and interest rates to explain money demand. 2. Understand the trade-off between holding cash and earning interest on financial assets. 3. Evaluate the impact of income levels, transaction costs, and interest rates on optimal cash holdings. 4. Apply the Baumol–Tobin framework to real-world financial decision-making and monetary policy analysis.
	11. Friedman's demand for Money	1. Describe Friedman's reinterpretation of the Quantity Theory of Money, emphasizing money as an asset in a portfolio. 2. Identify the key determinants of money demand in Friedman's model, including permanent income and expected returns on assets. 3. Evaluate how Friedman's approach differs from Keynesian and Classical theories of money demand. 4. Assess the policy implications of a stable money demand function in the context of monetary policy and inflation control.
	12. Supply of money	1. Define the money supply and differentiate between its key measures (M1, M2, M3, etc.). 2. Explain the role of central banks and commercial banks in determining the money supply. 3. Evaluate how monetary policy tools (such as open market operations, reserve requirements, and interest rates) affect money supply. 4. Assess the relationship between money supply, inflation, and economic growth.

4. **General Equilibrium Mode (T-2)**	13. Concept and derivation of IS curve	1. Explain the concept of the IS curve. 2. Derive the IS curve.
	14. Concept and derivation of LM curve	1. Explain the concept of the LM curve. 2. Derive the LM curve.
	15. Different causes of Shifts of IS curve	1. Explain the different factors that cause shifts in the IS curve 2. Evaluate the result of shifting IS curve
	16. Different causes of Shifts of LM curve	1. Explain the different factors that cause shifts in the LM curve 2. Evaluate the result of shifting LM curve
	17. Equilibrium model	1. Explain the concept of the equilibrium model in macroeconomics. 2. Analyze how changes in variables such as government policy, investment, or consumer behavior impact the equilibrium in an economy.
	18. Stability of the general equilibrium.	1. Explain the concept of stability in general equilibrium. 2. Analyze the factors that influence the stability of general equilibrium, including the role of government policies, changes in investment, and external shocks, and assess how these factors contribute to either stability or instability in the economy.
5. Components of Aggregate Demand and Supply (T-1)	19. Absolute income Hypotheses	1. Describe the key principles of Keynes' Absolute Income Hypothesis, emphasizing the relationship between income and consumption. 2. Understand the concept of the marginal propensity to consume (MPC) and its role in the AIH framework. 3. Evaluate how changes in income levels impact consumption behavior based on Keynesian theory. 4. Critically assess the limitations of AIH in explaining long-term consumption patterns and compare it with alternative consumption theories.
	20. Relative income Hypotheses	1. Explain the key concepts of the Relative Income Hypothesis, highlighting the importance of income comparisons with others in shaping consumption behavior. 2. Describe how relative income influences individuals' spending patterns and their perceived standard of living. 3. Evaluate how relative income affects individuals' saving behavior and consumption choices in different income brackets. 4. Compare the Relative Income Hypothesis with other consumption theories (e.g., Absolute Income Hypothesis) in terms of their applicability and limitations.
	21. Life-cycle income Hypotheses	1. Describe the core principles of the Life-Cycle Income Hypothesis, including how individuals plan consumption and saving over their lifetime, based on expected income and retirement needs. 2. Understand the concept of permanent income and its relation to consumption decisions over the life cycle 3. Evaluate how individuals adjust their consumption and savings patterns during different life stages (e.g., working years vs. retirement).

		4. Discuss the policy implications of the Life-Cycle Hypothesis in terms of retirement savings and public welfare programs
	22. Permanent income Hypotheses	1. Describe the core principles of the Permanent Income Hypothesis, including the distinction between transitory and permanent income and how individuals base their consumption decisions on long-term expected income rather than current income. 2. Understand the concept of consumption smoothing and its importance in PIH. 3. Evaluate how the Permanent Income Hypothesis explains consumption behavior in response to temporary income changes, such as government stimulus or one-time income boosts. 4. Discuss the implications of PIH for fiscal policy, particularly in terms of the effectiveness of tax cuts or transfers in influencing consumption patterns.
	23. Concepts of Micro Investment function	1. Explain the factors influencing micro-level investment decisions, including profitability expectations, interest rates, cost of capital, and firm-specific variables such as cash flow and technology adoption. 2. Describe the relationship between marginal efficiency of investment (MEI) and the level of investment. 3. Evaluate how firms make investment decisions under conditions of uncertainty and risk, considering factors like market volatility and economic instability. 4. Discuss the impact of government policies, such as tax incentives or subsidies, on micro-level investment behavior.
	24. Acceleration principle of Investment	1. Describe the acceleration principle and how it explains the relationship between changes in demand for goods and investment in capital. 2. Understand how an increase in output or demand leads to a more than proportional increase in investment in capital goods. 3. Evaluate how fluctuations in aggregate demand influence the rate of investment and contribute to the amplification of business cycles. 4. Discuss the role of the acceleration principle in economic expansions and contractions, and its implications for policy-making and business forecasting.
	25. Koyck's model of investment	1. Explain Koyck's distributed lag model of investment, focusing on how past investments influence current investment decisions. 2. Describe the geometric lag structure and its implications for understanding the gradual adjustment of investment over time. 3. Evaluate how the model explains the persistence of investment behavior and how firms adjust their capital stock in response to changes in output or profitability. 4. Assess the limitations and practical applications of Koyck's model in forecasting investment trends and making business decisions.

	26. Neo-classical investment model	1. Explain the fundamental concepts of the Neo-Classical investment model, focusing on the optimization of capital stock and the role of the user cost of capital in investment decisions. 2. Describe the relationship between output, interest rates, depreciation, and investment under the Neo-Classical framework. 3. Evaluate how the Neo-Classical model accounts for the effects of monetary policy, interest rates, and economic growth on investment behavior. 4. Assess the relevance of the Neo-Classical model in understanding long-term investment decisions and its limitations in the context of modern economic environments.
6. **Inflation** **(T-2)**	27. Inflation	1. Define inflation 2. Explain the key differences between demand-pull and cost-push inflation, including their causes, mechanisms, and impact on the economy.
	28. Inflation and unemployment.	1. Explain the short-run inverse relationship between inflation and unemployment as described by the Phillips Curve and how it changes in the long run. 2. Evaluate the impact of monetary and fiscal policies on inflation and unemployment.
7. **The Theory of Growth** **(T-1)**	29. Concept of Economic Growth	1. Define economic growth and differentiate between short-run and long-run growth. 2. Explain the key determinants of economic growth, including capital accumulation, labor force expansion, technological progress, and institutional factors. 3. Evaluate how economic growth is measured using indicators such as GDP, per capita income, and productivity levels. 4. Assess the effects of economic growth on living standards, income distribution, and environmental sustainability.
	30. The Harrod – Domar Model	1. Explain the fundamental assumptions and structure of the Harrod–Domar growth model, focusing on the roles of savings, investment, and capital-output ratio. 2. Describe the concepts of warranted, actual, and natural growth rates and their implications for economic stability. 3. Evaluate how the model explains economic growth and its relevance for developing economies. 4. Assess the limitations of the model, including issues related to capital constraints, labor supply, and technological change.
	31. Neo – classical growth Model	1. Explain the fundamental concepts of the Neo-Classical Growth Model, particularly Solow's model, emphasizing capital accumulation, labor growth, and technological progress. 2. Describe the role of diminishing returns to capital and the steady-state equilibrium in long-run economic growth. 3. Evaluate how savings rates, population growth, and technological advancements influence economic growth and income levels.

		4. Assess the policy implications of the model, including the role of government intervention in promoting technological innovation and human capital development.
8. External Economy (T-2)	32. Internal and external equilibrium	1. Define internal and external equilibrium. 2. Evaluate the role of fiscal and monetary policies in maintaining internal and external equilibrium
	33. Causes of disequilibrium	1. Explain the key factors that lead to economic disequilibrium. 2. Analyze policy measures, such as exchange rate adjustments, fiscal and monetary policies, and structural reforms, used to restore economic equilibrium.
	34. The Polak Model.	1. Explain the key assumptions, components, and mechanisms of the Polak Model. 2. Evaluate how the Polak Model
	35. Foreign Exchange determination, fixed and flexible exchange rate,	1. Explain the mechanisms of foreign exchange rate determination and differentiate between fixed and flexible exchange rate systems. 2. Evaluate the effects of fixed and flexible exchange rate regimes on trade, inflation, economic stability, and monetary policy.
	36. Devaluation, over-valuation and adjustment process.	1. Define devaluation and over-valuation. 2. Evaluate how economies adjust to devaluation and over-valuation