Macroeconomics

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THE WEEK	Lecture content
1	**Introduction to macroeconomic theory**(definitions and terms) : Macroeconomics definition, types of economic analysis, the economic models and variables, types of economic equations: definitional equations, behavioral equations, definition of general equilibrium, the goals of the macroeconomic policies, the difficulties and limitationss of the macroeconomic analysis.
2	**Measuring Economic activity(1)** : itroduction : economic activities, macroeconomic sectors and their markets, Economic circuit(open and closed circuit).
3	**Measuring Economic activity(2)** :gross domestic product (GDP), methods of calculating GDP, nominal and real Gross Domestic Product, Variants of GDP.
4	**Measuring Economic activity(3)** : Price indexes, the inflation, the Growth rate, importance of GNP, drawbacks and limitations of GNP, examples.
5	**Classical general equilibrium model :** introduction, the main pioneers, principles and hypothesis of the classical economics.
6	**classical labor market equilibrium(1)** : production function and the labor, labor demand : profit maximizing and the real wage. Labor supply : Maximizing utility and the real wage.
7	**classical labor market equilibrium(2)** : the equilibrium in the labor market, the

	equilibrium output : algebraically and graphically. Labour Market Imbalances(disequilibrium) and Adjustments, types of unemployment, examples.
8	Equilibrium in the goods market: saving, investment and interest rate: algebraically and graphically, consumption, *equilibrium in the market for goods and services.*
9	**Equilibrium in the Money Market :** The Supply, The Demand for Money: Equilibrium in the Market for Money, he Relationship Between Money, Income and Prices.
10	**classical general equilibrium model:** real and monetary classical equilibrium.
11	**Keynesian general equilibrium model**: introduction, principles and hypothesis.
12	**Determinants of effective demand:** effective demand theory, The consumption function, Marginal Propensity to Consume(MPC), the Average Propensity to Consume (APC).
13	**Determinants of effective demand:** the functional relationship between total savings and gross national income, derivation of the saving function, marginal propensity to save(MPS), Average propensity to save(APS), Saving threshold.

| 14 | **General Equilibrium in a Simple Economy(two sectors)** : equilibrium income using: aggregate demand and aggregate supply, saving-investment. the multiplier and the the accelerator effect |