



MACROECONOMICS

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What is **Macroeconomics**?



MACROECONOMICS

Macroeconomics focuses on the performance of economies changes in economic output, inflation, interest and foreign exchange rates, and the balance of payments, Poverty reduction, social equity, and sustainable growth are only possible with sound monetary and fiscal policies.

يركز الاقتصاد الكلي على أداء الاقتصاد، والتغيرات في الناتج الاقتصادي والتضخم وأسعار الفائدة وأسعار الصرف الأجنبي وميزان المدفوعات، ولا يمكن الحد من الفقر وتحقيق العدالة الاجتماعية والنمو المستدام إلا من خلال سياسات نقدية ومالية سليمة. www.worldbank.org

What is **Macroeconomics**?



MACROECONOMICS

Macroeconomics is a branch of economic theory (economics^{*}). It studies the economic behavior of aggregate economic actors (sectors of the economy) in aggregated markets and considers economic issues that affect the entire economy (not individual industries) and society as a whole.

^{*} **Economics** is a discipline that studies how to allocate and use scarce economic resources in order to maximize production and satisfy increasing needs of people to the fullest.

Macro versus Micro

Micro

focuses on the behavior of small units of the economy.

it tends to limit itself to specific and specialized areas of study.

Macro

has a much broader reach than micro.

It studies the economy as a whole, aggregate measures

Macro versus Micro

Micro

It studies : the balance of supply and demand in individual markets, the behavior of individual consumers....etc

Macro

It studies: the implications of fiscal policy, locating the reasons for inflation or unemployment, the implications of government borrowing and economic growth on a nationwide scale...etc

Macro versus Micro

Micro

Equilibrium expresses the optimal situation from the point of view of the economic unit.

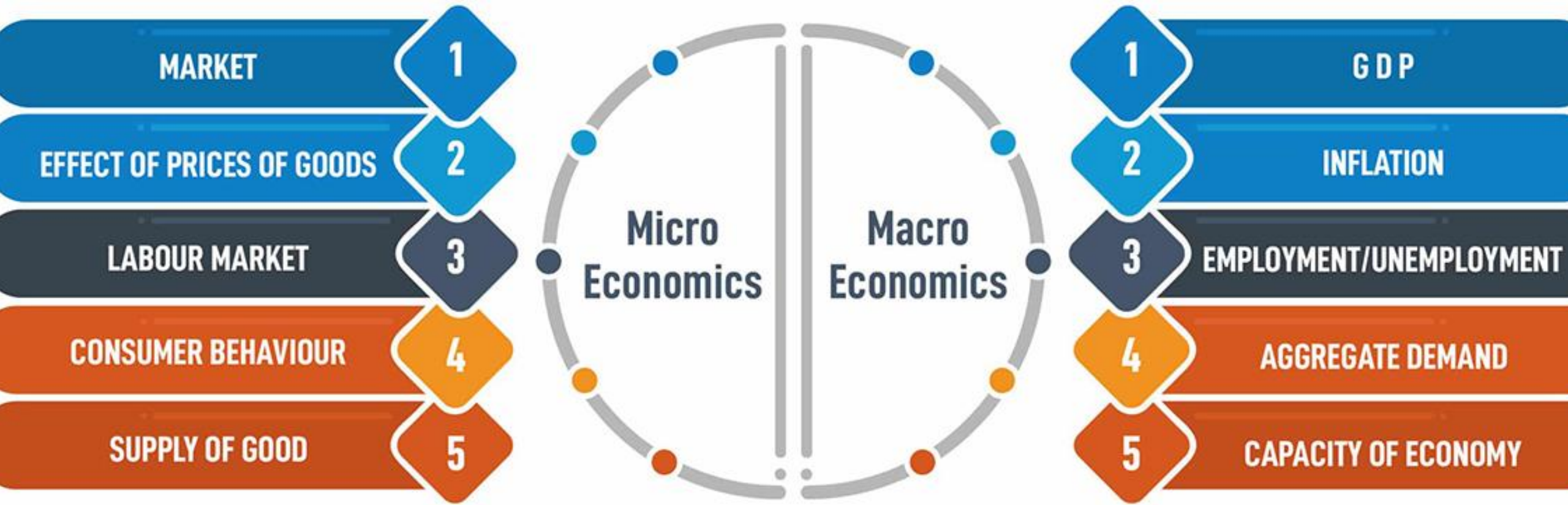
is based on partial equilibrium analysis

Macro

Equilibrium may not be optimal for society.

is based on general equilibrium analysis.

MACROECONOMICS AND MICROECONOMICS



Types of Macro analysis

In term of **time**

Static

Dynamic

Comparative static

In term of **form**

Descriptive

Mathematical

Graphical

أنواع التحليل الاقتصادي الكلبي

وفق معيار الزمن

الساكن

الديناميكي

الساكن المقارن

وفق معيار الصياغة

الوصفي

الرياضي

البياني

Types of the macroeconomic equations

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graph LR; A[Types of the macroeconomic equations] --> B[The definitional equation]; A --> C[The behavioral equation]; A --> D[The equilibrium equation];
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The **definitional** equation

$$DA=C+I+G+(X-M)$$

The **behavioral** equation

$$C=f(Y)$$

The **equilibrium** equation

$$DA=OA$$

أنواع المعادلات الاقتصادية

المعادلة التعريفية

$$DA=C+I+G+(X-M)$$

المعادلة السلوكية

$$C=f(Y)$$

المعادلة التوازنية

$$DA=OA$$

The variables and parameters

variables

The dependent = the endogenous variable

$$C = a + bY$$

The independent = the exogenous variable

$$C = a + bY$$

parameters

The constant:

$$C = a + bY$$

The behavioral parameter:

$$C = a + bY$$

المتغيرات والمعلمات

المتغيرات

المتغير الداخلي = المتغير التابع

$$C = a + bY$$

المتغير الخارجي = المتغير المستقل

$$C = a + bY$$

المعلمات

الثابت:

$$C = a + bY$$

المعلمة السلوكية:

$$C = a + bY$$

What is **The Economic Policy**?

The actions that a government takes in the economic field. It covers the methods used by a government to control its budget, the money supply and interest rates, as well as managing its fiscal policy and currency values.

ما هي السياسة الاقتصادية؟

الإجراءات التي تقوم بها الدولة والحكومة من خلال استخدام نفقاتها وإيراداتها، المعروض النقدي، أسعار الفائدة... الخ من أجل تحقيق أهداف نهائية: استقرار الأسعار، ميزان المدفوعات، زيادة التوظيف والنمو الاقتصادي.

Types of Eco-Policy

Fiscal Policy

Tax Policy

Public spending policy

Monetary Policy

**Expansionary
Monetary Policy**

**Contractionary
Monetary Policy**

أنواع السياسات الاقتصادية

السياسة المالية

السياسة الضريبية

سياسة الانفاق العام

السياسة النقدية

السياسة النقدية التوسعية

السياسة النقدية

الانكماشية