

WEEK CORRECTED CONTENT

1	Introduction to Macroeconomic Theory: (definitions and key terms): Definition of macroeconomics, types of economic analysis, economic models and variables, types of economic equations (definitional, equilibrium and behavioral functions), definition of general equilibrium, objectives of macroeconomic policy.
2	Measuring Economic Activity (1): Introduction to economic activity, macroeconomic sectors and their markets, the circular flow of income (closed and open economy versions).
3	Measuring Economic Activity (2): Gross Domestic Product (GDP); methods of calculating GDP; nominal vs. real GDP; different measures of GDP.
4	Measuring Economic Activity (3): Price indices, inflation, growth rate, importance and limitations of GNP/GNI, examples.
5	Classical Macroeconomic Equilibrium (1): Introduction, main pioneers, principles and hypotheses of classical economics, Production function and labor input; labor demand (profit maximization and real wage); labor supply (utility maximization and real wage).
6	Classical Labor Market Equilibrium (2): Labor market equilibrium, equilibrium output (algebraic and graphical analysis), labor market disequilibrium and adjustment mechanisms, types of unemployment, examples.
7	Equilibrium in the Goods Market (3): Saving, investment, and interest rate (algebraic and graphical analysis); consumption; saving–investment relationship; equilibrium in the goods and services market.
8	Equilibrium in the Money Market (4) Money supply and demand; equilibrium in the money market; relationship between money, income, and prices.
9	Classical General Equilibrium Model (5) (continued): Real and monetary classical equilibrium.
10	Keynesian General Equilibrium Model (1): Introduction, main principles, and hypotheses.
11	Determinants of Effective Demand (2): Effective demand theory, the consumption function, marginal propensity to consume (MPC), average propensity to consume (APC).
12	Determinants of Effective Demand (3): Functional relationship between total saving and national income; derivation of the saving function; marginal propensity to save (MPS); average propensity to save (APS); saving threshold.
13	General Equilibrium in a Simple Economy (4): (two sectors): Equilibrium income using aggregate demand and aggregate supply; saving–investment equilibrium; the multiplier and the accelerator (and their interaction).