

## Module 8: Macroeconomics

<b>Stage</b>							1
<b>Semester</b>							2
<b>Module Title</b>							Macroeconomics
<b>Module Number</b>							8
<b>Module Status</b>							Mandatory
<b>Module ECTS Credits</b>							5
<b>Module NFQ level</b>							6
<b>Pre-Requisite Module Titles</b>							N/A
<b>Co-Requisite Module Titles</b>							N/A
<b>Capstone Module?</b>							No
<b>List of Module Teaching Personnel</b>							Seamus Fitzpatrick, Angela O' Keefe, James O' Leary, Garret Wade, John Byrne
<b>Contact Hours</b>				<b>Non-contact Hours</b>			<b>Total Effort (hours)</b>
34				66			100
<b>Lecture</b>	<b>Practical</b>	<b>Tutorial</b>	<b>Seminar</b>	<b>Assignment</b>	<b>Placement</b>	<b>Independent Work</b>	
24		10		20		46	100
<b>Allocation of Marks (Within the Module)</b>							
	<b>Continuous Assessment</b>	<b>Project</b>	<b>Practical</b>	<b>Final Examination</b>	<b>Total</b>		
<b>Percentage Contribution</b>	40%			60%	100%		

### Intended Module Learning Outcomes

On successful completion of this module, the learner will be able to:

1. Explain the objectives of government macroeconomic policy and describe how they can be pursued
2. Define and measure national income and rates of unemployment and inflation.
3. Describe the causes and consequences of inflation and unemployment
4. Explain the role of the European Central Bank and how exchange rates and interest rates are determined
5. Construct the aggregate demand and aggregate supply model of the macro economy and use it to illustrate macroeconomic problems and possible fiscal policy and monetary policy solutions
6. Discuss the importance of international trade

### Module Objectives

Economics underpins a great deal of decision-making not only in business but also at government level and as such is an essential cornerstone of this programme.

Economics is typically divided into two main branches namely microeconomics and macroeconomics. While microeconomics examines the individual parts of the economy macroeconomics is concerned with the economy as a whole and the role played by government. This module is designed to introduce learners to the macroeconomic environment and the principles underlying macroeconomic policies and government strategies.

## **Module Curriculum**

### **Introduction to Macroeconomics**

- Macroeconomic Objectives and Policies
- The Circular Flow of Income
- Measuring National Income
- Economic Growth and The Business Cycle
- Aggregate Demand and Supply

### **The Determination of National Income and the Role of Fiscal Policy**

- Equilibrium Level of National Income
- Keynesian Theory and the Multiplier
- The Role and Effectiveness of Fiscal Policy
- The Government Budget and the National Debt

### **Money and Banking**

- How Banks Create Money
- Money Multiplier
- Measures of Money and the Money Supply
- The Demand for Money

### **Monetary Policy**

- The Role of the Central Bank and The European Central Bank
- Instruments of Monetary Policy
- Effectiveness of Monetary Policy
- Interest Rate Determination
- Quantitative Easing

### **Unemployment, Inflation and Growth**

- The Labour Market
- Types of Unemployment
- The Cost of Unemployment
- Causes and Consequences of Inflation
- The Link Between Money, Expenditure, Prices and Output
- Demand Side and Supply Side Policies

### **Balance of Payments and Exchange Rates**

- Balance of Payments Account
- Determining Exchange Rates
- Fixed versus Floating Exchange Rates

## International Trade

- Gains from Trade
- Comparative Advantage
- Restrictions on Trade
- Trading Blocs

## Reading lists and other learning materials

Begg, D., (2013) *Foundations of Economics* 5<sup>th</sup> Edition. Mc Graw Hill  
Case, K., & Fair, R., Oster, S. (2013) *Principles of Economics* 10<sup>th</sup> Edition Prentice Hall  
Conway, E. (2009) *50 economics ideas you really need to know* Quercus  
Harford, T. (2007) *The Undercover Economist* Abacus  
Krugman, P., Wells, R., & Graddy, K. (2014) *Essentials of Economics*. 3rd Edition Macmillan education  
Landsburg S. (2012) *The Armchair Economist* Free Press  
Levitt, S., and Dubner S. (2007) *Freakonomics* and (2010) *Superfreakonomics* Penguin  
McDowell, M., Thom, R., Pastine, I., Frank, R., and Bernanke, B. (2012) *Principles of Economics*, 3rd European Edition. McGraw-Hill  
Mell A, and Walker O, (2014) *The Rough Guide to Economics* Penguin  
O' Hagan, J. and Newman C. (2014) *The Economy of Ireland* 11<sup>th</sup> edition. Gillmacmillan  
O' Leary, J., (2012) *Make that Grade; Economics*. 4<sup>th</sup> edition. Gillmacmillan.  
Sloman, J., (2013) – *Essentials of Economics* 6<sup>th</sup> edition. Pearson education  
Turley T., Maloney M., O Toole., F.(2011), *Principles of Economics: An Irish Text*. 4<sup>th</sup> edition. Gillmacmillan

Useful magazines and newspapers include: *The Economist*, *Business Plus*, *The Financial Times*, *The Sunday Business Post*.

Interesting economics blogs include:

Paul Krugman: <http://krugman.blogs.nytimes.com/>

Greg Mankiw: <http://gregmankiw.blogspot.com/>

Martin Wolf: <http://www.ft.com/comment/columnists/martinwolf>

Tim Harford: <http://timharford.com/>

David Smith: <http://www.economicsuk.com/blog/>

Useful economics apps include:

Bloomberg Business

CNBC Business News and Finance

ET- Economic Times

Economics - Oxford Dictionary

Study Econ

## Module Learning Environment

The learning environment is designed to foster peer relationships that lead to successful learning. Feedback is given to the learners but also received from the learners. Lecture rooms are used for teaching purposes for the delivery of this module. Active involvement in learning is encouraged especially via tutorials and Moodle. Tutorials are structured to facilitate group discussion, share ideas and allow for further reinforcement of the lecture

material using worksheets, case studies and video analysis. All lecture material is also available to learners on Moodle where forums, quizzes, etc. are also facilitated.

### **Module Teaching and Learning Strategy**

Economics is a subject that often needs layer upon layer of reinforcement before concepts are fully digested. To facilitate this, the concepts are initially presented to the learners through formal lectures using PowerPoint slides. To ensure deep learning and strong foundations of knowledge the lecture topics where possible are linked to current domestic and international economic events. Learners are encouraged to keep abreast of the latest economic developments and participate through class debates and discussion. These discussions are facilitated in tutorials which enable active learning and further reinforcement of the material using worksheets and case studies. Working in groups, learners are required to present to their peers and through these sessions learners receive formative feedback. Videos, news articles, etc. are also used to generate discussion and demonstrate the relevance of the material presented. All material is posted on Moodle and forums are also moderated.

### **Module Assessment Strategy**

The assessment strategy is communicated to the learner at the beginning of the semester and includes information on the learning outcomes being assessed, module weightings, grading criteria, submission date, etc.

40% of the module marks are allocated for continuous assessment while the remaining 60% of marks are allocated for the end of term examination. The assessment is an individual case study which requires the learner to apply key macroeconomic principles to economic scenarios. On the basis of the analysis the learner is also required to make appropriate recommendations/conclusions.

### **Constructive Alignment of Assessment**

<b>Module Learning Outcomes</b>	<b>Assessment Strategy</b>	
	<b>Assignment</b>	<b>Exam</b>
Explain the objectives of government macroeconomic policy and describe how they can be pursued		Yes
Define and measure national income and rates of unemployment and inflation.		Yes
Describe the causes and consequences of inflation and unemployment	Yes	Yes
Explain the role of the European Central Bank and how exchange rates and interest rates are determined	Yes	Yes
Construct the aggregate demand and aggregate supply model of the macro economy and use it to illustrate macroeconomic problems and possible fiscal policy and monetary policy solutions		Yes
Discuss the importance of international trade	Yes	