

## COURSE OUTLINE

<b>Department &amp; Faculty:</b> <b>Dept. of Mechanical Engineering &amp; Management</b> <b>Centre for Diploma Studies, SPACE, UTM</b>	<b>Page :</b>
<b>Course Code : Principles of Macroeconomics</b> <b>(DDWG 1423)</b> <b>Total Lecture Hours : 42 hours</b>	<b>Semester:</b> <b>Academic Session:</b>

**Lecturer** : Pn. Diyana Nabilah Burhan

**Room No.** : V304J

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**Synopsis** : This course is designed to expose students to the basic economics level. This 3-credit subject will consist of concepts and theories in macroeconomics. These concepts involve national income accounting, uses and limitations of national income statistics, consumption theory, investment theory, the determination of national income equilibrium, money and banking, monetary policy, fiscal policy, national budget and debt, inflation, unemployment, international trade, balance of payment and exchange rate.

### LEARNING OUTCOMES

By the end of the course, students should be able to:

No.	Course Learning Outcome	Programme Learning Outcome(s) Addressed	Bloom Taxonomy & Soft Skills levels	Assessment Methods
1.	Define the concepts of macroeconomics theories.	PLO1	C1	Quiz, Test
2.	Determine and calculate consumption, saving, investment, national income and national budget.	PLO1	C3	Quiz, Test Assignment, Final Exam
3.	Differentiate between Monetary Policy and Fiscal Policy. Determine the functions of national and commercial bank. Analyze and calculate inflation	PLO3	P3 CTPS1	Quiz, Test Assignment, Final Exam
4.	Define the concepts of international trade, balance of payment and foreign exchange. Calculate absolute advantage and comparative advantage and balance of payment.	PLO3	P3 CTPS 1	Quiz, Test Assignment, Final Exam
5.	Acquire and manage relevant information from various sources as well accept new ideas.	PLO6	A3, LL1-LL2	Assignment & Presentation

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<b>Prepared by:</b> <b>Name: Diyana Nabilah Burhan</b> <b>Signature:</b> <b>Date:</b>	<b>Certified by: (Course Panel Head)</b> <b>Name: Mohamad Shafie Abdul Rashid</b> <b>Signature:</b> <b>Date:</b>
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### STUDENT LEARNING TIME

Teaching and Learning Activities	Student Learning Time (hours)
A. Face-to-face Learning <ol style="list-style-type: none"> <li>Lecture</li> <li>Practical / Tutorial</li> <li>Student Centered Learning</li> </ol>	42 14
B. Self Directed Learning <ol style="list-style-type: none"> <li>Non face-to-face eg: assignments</li> <li>Revision</li> <li>Assessment Preparation</li> </ol>	40 10.5 8
C. Formal Assessment <ol style="list-style-type: none"> <li>Continuous Assessment</li> <li>Final Exam</li> </ol>	3 2.5
<b>Total</b>	<b>120</b>

### TEACHING METHODOLOGY

Lecture and Discussion, Co-operative Learning, Independent Study, Individual/Group Assignment

### WEEKLY SCHEDULE

- Week 1** : • **Introduction to macroeconomic, microeconomic questions, what, how, and for whom goods and service get produced; circular flow of income**
- Week 2** : • **GDP income and expenditure – measuring GDP; expenditure approach, the income approach; expenditure excluded from GDP calculation; valuing industrial output; real GDP and nominal GDP; real GDP and standard of**

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		living; national income accounting
Weeks 3	:	• Unemployment – labour market indicators, causes and type of unemployment
Weeks 4	:	• The consumer price index (CPI), constructing CPI, measuring inflation, sources of bias in the CPI, nominal and real values.
Weeks 5	:	• Income and expenditure; expenditure multiplier
Weeks 6	:	• The AD- AS model, macroeconomic equilibrium, GDP potential
Weeks 7	:	• The production function, the labour market, labour market equilibrium, full employment and potential GDP
Weeks 8	:	• The functions of money; monetary system; the central bank system. How bank creates money and influence the quantity of money
Weeks 9	:	• The demand of money, the influence of money holding, nominal interest rate, changing the interest rate
Week 10	:	• Money, price level and inflation, market equilibrium in the long run, changing the quantity of money; effects of inflation; policies to reduce inflation
Weeks 11 - 12	:	• The equilibrium in the good market (IS); the equilibrium in the money market (LM). Monetary and fiscal policies
Weeks 13	:	• Exchange rates and the international monetary system; the balance of payments accounts, exchange rates and the market for foreign exchange; monetary fiscal policy in the open economy. The Mundell – Fleming Model, perfect capital mobility
Weeks 14	:	• Discussion and revision

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### REFERENCES:

- Bade, R and M. Parkin (2013) *Foundations of Economic*. 6<sup>th</sup> Edition. International Edition Boston; Pearson Education
- Dornbusch, R Fisher.S and Startz, Richard (2008), *Macroeconomics*, 10<sup>th</sup> Edition, Mc Graw Hill
- Gordon R.J (2000) *Macroeconomics* 8<sup>th</sup> Edition Wesley – Longman
- Froyen R.T (2005) *Macroeconomics. Theories and Policies* 8<sup>th</sup> Edition – Pearson and Prentice Hall

### GRADING

No.	Assessment	Number	% Each	% Total	Dates
1	Assignments	2	10	20	
2	Quizzes	4	2.5	10	
5	Test	2	10	20	
6	Final Exam	1	50	50	
	<b>Overall Total</b>			<b>100</b>	