



Discipline and code: **Macroeconomics I**; 580100

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<b>Credits</b>	5
<b>Date</b>	Monday (two classes on gray week), Wednesday
<b>Goals and objectives of the course</b>	<p>The course is designed for students of economics and provides an opportunity to learn basic theoretical concepts and categories, laws and regularities, principles and methods of managing the transition to a market economy.</p> <p>Mastering the basics of this course will enable students to become good economists, and the ability to develop the theory and practice and to promote economic recovery.</p>
<b>Description of the course</b>	<p>This course studies the basic concepts of macroeconomics as the science of total (aggregate) behavior of households, firms and about the whole economic system. Lectures contain the basic course of macroeconomics, understanding of the determinants of economic growth and stagnation, employment and unemployment, inflation and economic linkages among nations.</p> <p>The course highlights the urgent problems of the theory of the market economy and the way of formation of a civilized market economy in Kyrgyzstan, the establishment and development of a new economic policy of the government.</p> <p>The course will cover both short-run and long run topics, for instance such as the business cycle, stabilization policy, economics growth, unemployment, inflation, and government debt.</p>
<b>Course prerequisite and postrequisite</b>	<p>To be able to understand this course student(s) must have a knowledge in the field of math, basic concepts of economics theory and microeconomics.</p> <p>The course provides the fundamental theoretical basis for the subsequent development of other disciplines, such as "International trade", "International finance", "National Economy", "The state regulation of economy", "The World Economy" etc.</p> <p>Lectures contain the basic course of macroeconomics, understanding of the determinants of economic growth and stagnation, employment and unemployment, inflation and economic linkages among nations.</p>
<b>Competences</b>	<p>To know:</p> <ul style="list-style-type: none"><li>- Main concepts of macroeconomics;</li><li>- Basic models of macroeconomics equilibrium;</li><li>- Basic concepts of theory of productivity and economic growth;</li><li>- Basic models of business cycle;</li></ul> <p>To be able to:</p> <ul style="list-style-type: none"><li>- Describe the real macroeconomic situations in the country;</li><li>- Discuss the effectiveness of various options of economic policy of the country;</li><li>- Carry out analysis of macroeconomic determinants;</li></ul>

	<ul style="list-style-type: none"> <li>- Freely express own opinion on macroeconomic situations in the country</li> </ul> <p>To master (have skills):</p> <ul style="list-style-type: none"> <li>- Designing models of macroeconomic processes;</li> <li>- Prepare reports of macroeconomic situations;</li> <li>- Demonstrate skills and readiness on presentation and discussion of macroeconomic situations</li> </ul>
<b>Teaching philosophy and methods:</b>	<p>This course is best suited to a lecture format, although students are encouraged to ask questions and participate. I spend so much time reading business related news that I sometimes use “new economics words”, and do not hesitate to stop me and ask what a new word means. Everyone is expected to read about each topic in the text before the topic is presented in class. You will only be tested on the material covered in class. For example, I will not ask you a test question that expects you to remember a topic or application from the text not covered in class. Instead, the text should be used to help you understand the lectures. (1) Before class, be prepared by reading a little bit ahead in the text and looking at the lecture slides if they are posted. If you have already seen the material, the lectures will be easier to follow. (2) After class, reread the text. Sometimes the text can explain a concept better than I do in class. Homeworks must be your individual work, and copying the answers of another student is not allowed. But you are encouraged to get together in groups to discuss the course and even how to get started on the homeworks. If you have any questions about what is allowed and what is not, see me. There are some excellent newspaper and magazine articles that relate to the course topics. For reading as a main literature we use Mankiw, but Samuelson can be also used as an additional literature which is available in the library of KEU.</p>
<b>Assesment methods</b>	<p>The course has a form of a lecture and a seminar. Credit requirements: 5 credit tests, presentation of knowledge in seminars. The course is concluded by a written exam.</p> <p><b>Grading:</b> Homework -10 %; Midterm Exam #1-25 %; Midterm Exam #2-25 %, Midterm Exam#3-20%; Final Exam-20 %</p>
<b>Main literature</b>	<ul style="list-style-type: none"> <li>• MANKIW, N. Gregory. <i>Macroeconomics</i>. 8<sup>th</sup>ed. Worth Publishers, 2012. Available online, PDF version also will be sent to your email</li> </ul>
<b>Additional literature</b>	<ul style="list-style-type: none"> <li>• McConnell/Bru. <i>Macroeconomics</i>. Available in the library of KEU</li> </ul>

### Calendar-thematic plan

№	Topic	Hours	Literature	Formed competences
1	Introduction to macroeconomics	2	Mankiw: Ch. 1; Samuelson: Ch. 5	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
2	Gross Domestic Product. Real GDP vs Nominal GDP. GDP Deflator	2	Mankiw: Ch. 2	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
3	Measuring the Cost of Living: The Consumer Price Index	2	Mankiw: Ch. 2	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
4	Total Production of Goods and Services	2	Mankiw: Ch. 3	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
5	Distribution of National Income	2	Mankiw: Ch. 3	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
6	Demand and Supply for Goods and Services. Equilibrium in the Market	2	Mankiw: Ch. 3	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
7	The Functions and Types of Money	2	Mankiw: Ch. 4	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
8	The Quantity Theory of Money	2	Mankiw: Ch. 4	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
9	Inflation and Interest Rates	2	Mankiw: Ch. 4	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
10	The International Flows of Capital and Goods	2	Mankiw: Ch. 5	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
11	Saving and Investment	2	Mankiw: Ch. 5	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
12	Exchange Rates	2	Mankiw: Ch. 5	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
13	Natural Rate of Unemployment. Frictional and Structural Unemployment	2	Mankiw: Ch. 6	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3

14	Labor-Market Experience: Europe	2	Mankiw: Ch. 6	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
15	Labor-Market Experience: Kyrgyz Republic	2	Mankiw: Ch. 6	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
16	The Accumulation of Capital	2	Mankiw: Ch. 7	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
17	The Golden Rule Level of Capital	2	Mankiw: Ch. 7	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
18	Population Growth	2	Mankiw: Ch. 7	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
19	Technological Progress: Solow Model		Mankiw: Ch. 8	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
20	Growth Empirics	2	Mankiw: Ch. 8	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
21	Policies to Promote Growth	2	Mankiw: Ch. 8	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
22	Business Cycle	2	Mankiw: Ch. 9	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
23	Aggregate Demand	2	Mankiw: Ch. 9	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
24	Aggregate Supply	2	Mankiw: Ch. 9	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
25	Stabilization Policy	2	Mankiw: Ch. 9	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
26	<i>IS</i> Curve. The Keynesian Cross	2	Mankiw: Ch. 10	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
27	<i>LM</i> Curve	2	Mankiw: Ch. 10	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
28	The Size of the Government Debt	2	Mankiw: Ch. 16	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
29	Views of Government Debts	2	Mankiw: Ch. 16	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
30	Consumption Function	2	Mankiw: Ch. 17	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-

				1,2,3
31	Business Fixed Investment	2	Mankiw: Ch. 18	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
32	Residential Investment	2	Mankiw: Ch. 18	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
33	Inventory Investment	2	Mankiw: Ch. 18	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
34	Money Supply	2	Mankiw: Ch. 19	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
35	Money Demand	2	Mankiw: Ch. 19	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
36	Monetary Policy	2	Mankiw: Ch. 19	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3
37	Four Most Important Lessons of Macroeconomics	2	Mankiw:	ОК-1; ИК-1,3,4; СЛК-1-5; ПК-1,2,3

#### Self-study schedule

№	Week Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total score
		March				April						May						
1	Current control	15				15						10						40 scores
2	Deadline																	