ECO 1207 Macroeconomics for Surveyors

Hours Per Week			Hours per Semester	Weighted Total Mark	Weighted Exam Mark	Weighted Continuous Assessment	Credit Units
LH	PH	TH	CH	WTM	WEM	WCM	CU
3	0	3	45	100	60	40	3

Rationale/Course Description

Macroeconomics is the part of economic theory that deals with the great aggregates and averages of the system rather than the items in it. These aggregates are defined in a useful manner in order to examine how they are related and determined.

Macroeconomics provide a sound theoretical framework for investigating the causes and effects of economic problems like e.g. inflation, unemployment, recession, deflation and stagflation etc but also helps in finding an appropriate policy measure to solve the problem. Macroeconomic theory though not perfect, does provide a great deal of understanding of and insight into the factors that cause adverse or undesirable effects on the economy. Macroeconomics is important and its issues must be resolved effectively .

Objectives

At the end of this course, students are expected to:

- Demonstrate knowledge of the behaviors of the economy as a whole
- Understand the relationship and interaction between the factors or forces which determine the level and growth of the national output and employment, general price levels and the balance of payment positions of the economy.

Course Content

1. Macroeconomics, The flows of Income and National Income [5 CH]

- 1.1 The circular flows of income and expenditure
- 1.2 The national income and concepts
- 1.3 Measurement of national income
- 1.4 Theories of national income determination
- 1.5 National income distribution
- 1.6 Income inequality, poverty and distribution of national income

2. Money, Banking and Credit [10 CH]

- 2.1 Functions and characteristics of money
- 2.2 The monetary theory (Money demand and supply)
- 2.3 Interest rate determination
- 2.4 Financial institutions and creation of money
- 2.5 None banking financial institutions
- 2.6 Money and the capital markets
- 2.7 The monetary policy

3. Unemployment and Inflations [5 CH]

- 3.1 The theory of employment
- 3.2 Causes of unemployment
- 3.3 Effects of unemployment
- 3.4 Policy options
- 3.5 Theory and types of inflation
- 3.6 Effects of inflation and interventions

3.7 The relationship between unemployment and inflation (understanding the Phillips curve)
3.8 The business cycles

4. Public finance and administration [5 CH]
4.1 Public revenue and taxation
4.2 Public expenditures
4.3 The budget process
4.4 Public debt

5. International Trade [10 CH]
5.1 Theories of international trade
5.2 Free trade Vs protectionism
5.3 Balance of payments and terms of trade
5.4 Devaluation
5.5 The foreign exchange market and the exchange rate
5.6 Trade policies and the role of international organizations (World Trade Organization)

6. Economic Integration: The East African Community and the Common Market [5 CH]
6.1 The Rational for Regional Economic Communities
6.2 The East African Community
6.3 The Challenges of building economic blos
6.4 Other RECs: The European Union

7. Monetary and Fiscal Policies [5 CH]
7.1 Monetary policy
7.2 Fiscal policy
7.3 Interactions between monetary and fiscal policies
7.4 Differences between monetary and fiscal policies