



Griffith College Dublin  
Faculty of Business  
Module Descriptions Spring 2013

**Course: BA (Hons) Business Studies**

*MACRO ECONOMICS*

<b>Theme:</b>	Business Environment/Industry
<b>Assessment Weighting:</b>	40% Coursework 60% Examination

**INTRODUCTION**

As students will have already completed the microeconomics module before commencing this module, a firm foundation will have been laid in the fundamentals of economics. Students will be familiar with graphs and their interpretation and also with mathematical approaches to economic problems.

While microeconomics looks at individual markets, macroeconomics takes a helicopter view of the economy and the multiplicity of issues involved in achieving the objectives of government.

This module is designed to examine the fundamental theories and concepts of macroeconomics, introducing the students to the broad economic environment in which they live. The module will look at the critical factors that influence economic change and how these changes impact on the overall economy.

**AIMS**

The aims of this module are to:

- Introduce students to the macroeconomic environment and the objectives of government.
- Instil in the student an interest in the economy and a desire to keep abreast of changing economic trends.

- Give students the economic underpinning to allow them to form their own opinions on the effects of various government policies and to be sufficiently confident to make suggestions on how the economy could be improved.

## **LEARNING OUTCOMES**

On successful completion of this module, students should be able to:

- Interpret the significance of economic data and extrapolate from the data important economic indicators to help forecast future trends.
- Identify the objectives of government macroeconomic policy and outline the difficulties in achieving all objectives simultaneously.
- Explain the effectiveness of each macroeconomic policy, (monetary policy, fiscal policy etc) in achieving government objectives
- Select the most appropriate policy option to solve economic problems such as inflation, deflation, unemployment, etc.
- Debate and explain economic problems and issues confidently using economic terminology and principles.
- Explain how international economic factors affect the Irish economic position and confidently discuss the macroeconomic policies being pursued in Ireland and throughout Europe.
- Show how changes in interest rates, inflation, exchange rates, and the value of the euro, can affect the domestic economy.

## **SYLLABUS**

The macroeconomic problems

- Macroeconomic objectives and policies
- The circular flow of income
- Aggregate demand and supply

The determination of national income and the role of fiscal policy

- GDP accounting
- Keynesian theory and the multiplier
- Fiscal policy.

Understanding interest rates and monetary policy

- What determines the interest rate?
- Interest rates and economic activity
- Central banks, institutional reform and the control of inflation.

- Monetary policy and interest rates

#### Unemployment, inflation and growth

- The link between money, expenditure, prices and output
- Demand side and supply side policies

#### International economics

- Gains from trade
- What determines comparative advantage?
- The European Union
- Capital flows and foreign investment

#### Balance of payments and exchange rates

- Exchange rates and the balance of payments
- How to cure a balance of payments imbalance
- How exchange rates work
- Exchange rate regimes and the euro