

ECONOMICS FOR PLANNERS II

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| Course Code: | 1210234 |
| METU Credit (Theoretical-Laboratory hours/week): | 3 |
| ECTS Credit: | 5.0 |
| Department: | City And Regional Planning |
| Language of Instruction: | English |
| Level of Study: | Undergraduate |
| Course Coordinator: | Assoc. Prof. Dr. Emine Yetişkul Şenbil |
| Offered Semester: | Spring |

Course Objective

This course is designed to introduce elements of macroeconomics as an aggregate economic activity, such as economic growth, level of output and national income, level of employment, and general price level. The course develops a theoretical framework for macroeconomic analysis and its application to understanding contemporary issues of economics.

Course Content

This course covers aggregate parts of a national economy and provides an overview of macroeconomic issues: the calculation of output, employment, interest rates, and inflation. Illustrations and examples are given along with the figures of the Turkish economy. Monetary and fiscal policies are discussed. It introduces basic models of macroeconomics; Keynesian General Equilibrium; IS-LM model; Aggregate demand and aggregate supply model. The final section of the course covers an evaluation of Turkish economic growth in terms of industrialization, urbanization and institutionalization issues.

Weekly Program

Part 1: Introduction to Macroeconomics

Week 1- Macroeconomic History (Classical Economics and Keynesian Economics)

Week 2- Concepts, Data and Problems of Macroeconomics

Week 3- Measures of Output, Prices and Employment I (Real GDP, Nominal GDP, GDP of Turkey, Consumer Price Index, Nominal, Real Interest Rates)

Week 4- Measures of Output, Prices and Employment II (Growth, Productivity, Unemployment and Inflation)

Part 2: The Goods and Money Market

Week 5- Keynesian Approach to Equilibrium (Aggregate Expenditure and Equilibrium Output)

Week 6- The Government and Fiscal Policy (Government in the Economy, Multiplier

Effects)

Week 7- Money Supply and Central Bank, Money Demand and Monetary Policy

Part 3: Macroeconomic Analysis

Week 8- IS-LM Curves I (Investment, Rate of Interest, IS Curves,)

Week 9- IS-LM Curves II (Supply and Demand of Money, LM Curves, IS-LM Equilibrium)

Week 10- Aggregate Demand and Aggregate Supply Curves

Week 11- Aggregate Demand- Aggregate Supply Model

Week 12 - The Labor Market, Short-run Trade-off between Inflation and Unemployment

Part 3: Macroeconomic Policy

Week 13 - Macroeconomic Issues and Policy

Week 14- An Overview of Turkey's Economic Growth

Grading

Students who did not participate less than 30 percent of the classes will be graded NA.

40 % Mid-term Exam

60 % Final Exam

Learning Outcomes

By the end of the course, the students will be able to analyze goods and money markets, equilibrium in each market by using macroeconomic models (i.e., IS-LM, AD-AS), and the role of fiscal and monetary policies in these markets. Students will be able to use basic quantitative techniques to examine aggregate economic system. They will have an understanding of basic macroeconomic terms and concepts, interpretation of data and economic graphs.

Reference Material

Karl E. Case, Ray C. Fair and Sharon M. Oster (2012). **Principles of Economics**, Pearson Education, Boston.

Mankiw N. Gregory and Taylor Mark P. (2011). **Economics**, Cengage Learning, Hampshire.

Eğilmez M. (2010). **Makro-Ekonomi Türkiye'den Örneklerle**, Remzi Kitabevi.