



# ÇANKAYA UNIVERSITY

## Faculty of Economics and Administrative Sciences

### Course Definition Form

#### Part I. Basic Course Information

<b>Department Name</b>	ECONOMICS	<b>Dept. Numeric Code</b>	3 1
<b>Course Code</b>	E C O N 2 1 0	<b>Number of Weekly Lecture Hours</b>	3
		<b>Number of Weekly Lab/Tutorial Hours</b>	0
		<b>Number of Credit Hours</b>	3
<b>Course Web Site</b>	http:// econ210.cankaya.edu.tr		<b>ECTS Credit</b>
			0 5

#### Course Name and Other Course Information

*This information will appear in the printed catalogs and on the web online catalog.*

<b>English Name</b>	Macroeconomic Theory II
<b>Turkish Name</b>	Makroekonomik Teori II
<b>Mode of Delivery</b>	Face to face
<b>Language of Instruction</b>	English

#### Course Description

*Provide a brief overview of what is covered during the semester. This information will appear in the printed catalogs and on the web online catalog. Maximum 60 words.*

This is the second intermediate level core macroeconomic theory course in the eight-quarter undergraduate sequence in economics. The topics we shall study include the business cycles, the effectiveness of the government's intervention through fiscal and monetary policies, macro policies under different exchange rate systems, government debt and budget deficits, the financial system, alternatives perspectives on stabilization policy, credit market imperfections, Rational expectations hypothesis, Hysteresis hypothesis, and The Neoclassical Synthesis.

<b>Prerequisites</b> (if any) <i>Give course codes and check all that are applicable.</i>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
	<input type="checkbox"/> Consent of the Instructor	<input type="checkbox"/> Senior Standing	<input type="checkbox"/> Give others, if any.	
<b>Co-requisites</b> (if any)	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
<b>Course Type</b> <i>Check all that are applicable</i>	<input checked="" type="checkbox"/> Must course for dept. <input type="checkbox"/> Must course for other dept.(s) <input type="checkbox"/> Elective course for dept. <input type="checkbox"/> Elective course for other dept.(s)			

**Part II. Detailed Course Information****Course Objectives***Maximum 100 words.*

The primary goal of this course is to help you develop a consistent way of thinking about some key macroeconomic phenomena. The course aims to develop a general framework to analyze important policy questions and provide a sound understanding of economic fluctuations. More specifically, the course aims to provide students with a solid economic grounding in understanding the mechanisms underpinning the macroeconomy in the short-run when prices are sticky. There are two main objectives of this course. Firstly, to provide knowledge of the core theoretical models used in macroeconomics to understand business cycles, for both closed and open economies, and to use them to enhance understanding of real-world macroeconomic experiences (especially involving macroeconomic policy). Secondly, to give students a solid grasp of macroeconomic analysis at the intermediate level using both graphical and algebraic techniques. Throughout the course emphasis is placed on developing the skills needed to critically evaluate explanations of economic outcomes in this framework and policy success on both a theoretical and empirical basis.

**Learning Outcomes***Explain the learning outcomes of the course. Maximum 10 items.*

After completing this course, the successful students will be able to:

- explain business cycles measurements;
- be able to understand theoretical models which are used to explain the behaviour of the aggregate economy in short run and will have gained the ability to use these models to answer questions about the impact of shocks and of macroeconomic policy on a small (and large) open economy;
- interpret different business cycles facts for the Turkish economy, as well as compare recent recessions in Turkey with past recessions or with recessions in other economies;
- integrate theoretical knowledge on aggregate trade-offs to evaluate macroeconomic policy measures;
- evaluate macroeconomic policies with the use of the model(s) introduced and developed throughout the course;
- understand the Rational Expectation revolution along with the New Keynesian and New Classical Macroeconomic models
- theorize how unconventional monetary policy works under certain economic or financial conditions.

**Textbook(s)***List the textbook(s), if any, and other related main course material.*

Author(s)	Title	Publisher	Publication Year	ISBN
Mankiw, Gregory N.	Macroeconomics	Macmillian, Worth publishers	2016, 9 <sup>th</sup> ed.	9781464182891
Williamson, Stephen	Macroeconomics	Pearson	2014, 5 <sup>th</sup> ed.	

**Reference Books***List, if any, other reference books to be used as supplementary material.*

Author(s)	Title	Publisher	Publication Year	ISBN
Olivier Blanchard	Macroeconomics	Pearson-Prentice Hall	2012, 6 <sup>th</sup> ed.	
Rudiger Dornbusch, Stanley Fischer and Richard Startz	Macroeconomics	McGraw-Hill	2014, 12 <sup>th</sup> ed	978-0133836790

**Teaching Policy***Explain how you will organize the course (lectures, laboratories, tutorials, studio work, seminars, etc.)*

Instructor will give lectures on major concepts and issues. Students are expected to engage in discussion during lectures. Most in-depth learning takes place when students actively engage themselves in discussions thought presenting and sharing their ideas. Instructor holds weekly consultation hours to answer students' questions.

**Laboratory/Studio Work***Give the number of laboratory/studio hours required per week, if any, to do supervised laboratory/studio work and list the names of the laboratories/studios in which these sessions will be conducted.*

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**Computer Usage***Briefly describe the computer usage and the hardware/software requirements for the course.*

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<b>Course Outline</b>	
<i>List the weekly topics to be covered.</i>	
Week	Topic(s)
1	Introduction to Economic Fluctuations
2	Aggregate Demand I: Building the IS-LM Model
3	Aggregate Demand II: Applying the IS-LM Model
4	The Mundell-Fleming Model and the Exchange Rate System
5	Aggregate Supply and the Short-run Trade-off between Inflation and Unemployment
6	Recitation
7	Midterm Exam
8	A Dynamic Model of Economic Fluctuations
9	A Dynamic Model of Economic Fluctuations (cont'd)
10	Alternative Perspectives on Stabilization Policy
11	Government Debt and Budget Deficits
12	The Financial System: Opportunities and Dangers
13	What we Know, What We Don't
14	Recitation

<b>Grading Policy</b>								
<i>List the assessment tools and their percentages that may give an idea about their relative importance to the end-of-semester grade.</i>								
Assessment Tool	Quantity	Percentage	Assessment Tool	Quantity	Percentage	Assessment Tool	Quantity	Percentage
Midterm Exam	1	40%						
Final Exam	1	40%						
Quizzes	4	20%						

<b>ECTS Workload</b>			
<i>List all the activities considered under the ECTS.</i>			
Activity	Quantity	Duration (hours)	Total Workload (hours)
Attending Lectures ( <i>weekly basis</i> )	14	3	42
Attending Labs/Recitations ( <i>weekly basis</i> )	-	-	-
Compilation and finalization of course/lecture notes ( <i>weekly basis</i> )	14	1	14
Collection and selection of relevant material ( <i>once</i> )	1	2	2
Self study of relevant material ( <i>weekly basis</i> )	14	2	28
Take-home assignments	-	-	-
Preparation for quizzes	4	2	8
Preparation for mid-term exams ( <i>including the duration of the exams</i> )	1	13	13
Preparation of term paper/case-study report ( <i>including oral presentation</i> )	-	-	-
Preparation of term project/field study report ( <i>including oral presentation</i> )	-	-	-
Preparation for final exam ( <i>including the duration of the exam</i> )	1	18	18
<b>TOTAL WORKLOAD / 25</b>			<b>125/5</b>
<b>ECTS Credit</b>			<b>5</b>

**Program Qualifications vs. Learning Outcomes** Consider the program qualifications given below as determined in terms of learning outcomes and acquisition of capabilities for all the courses in the curriculum. Look at the learning outcomes of this course given above. Relate these two using the Likert Scale by marking with X in one of the five choices at the right.

No	Program Qualifications	Contribution				
		0	1	2	3	4
1	To know the fundamental concepts in economics and associated social sciences, and relate these concepts to each other.					X
2	To know the quantitative and qualitative methods and computer skills necessary for testing hypotheses derived from economic theories for the purpose of contributing towards the solution of economic problems.				X	
3	To acquire the necessary knowledge for gathering and processing data, and for building up the scientific research capacity to guide economic policy.				X	
4	To specialize in some of the sub-disciplines of economics, and to gain interdisciplinary analytical skills by making connections between those sub-disciplines and other social sciences.				X	
5	To have the ability to question, interpret, and analyze the findings of economic studies.					X
6	To develop the ability to present in writing as a report and verbally as a presentation the knowledge acquired through education.			X		
7	To be able to work in teams, and when necessary to rise up to the challenge individually.					X
8	To gain life-long learning and critical-thinking skills.				X	
9	To be able to assess one's need for advanced study and to make plans accordingly by using the critical and analytical thinking skills gained during undergraduate studies.				X	
10	To gain the ability to use a language at least at the Level B1 of the European Language Portfolio to follow economic news and developments, and to communicate with colleagues.				X	
11	To maintain scientific, social, and ethical standards when collecting, interpreting, and disseminating economic information, and in application of economic ideas.				X	
12	To be conscious of social and environmental needs.		X			
13	To develop an open-minded attitude towards new ideas and developments.					X
14	To relate the knowledge gained through education to the cultural and historical characteristics of the society.			X		

Scale for contribution to a qualification: 0-none, 1-little, 2-moderate, 3-considerable, 4-highest