

1.	Course Title	Principles of Macroeconomics		
2.	Course Code	BECO2043		
3.	Status	Faculty		
4.	Credit Hour	3 (2+1) 2 for lecture (2 hours per week x 14 weeks) 1 for tutorial (1.5 hours per week x 14 weeks)		
5.	Semester/Year	2/2		
6.	Prerequisites	BECO2033 Principles of Microeconomics		
7.	Teaching method:	Distance Learning (Electronics)		
8.	Evaluation	Assessment and Marking Percentage: <div> <div>Quizzes</div> <div>10 %</div> </div> <div> <div>Assignments</div> <div>10 %</div> </div> <div> <div>Interactions through discussion board</div> <div>10 %</div> </div> <div> <div>Mid-Semester Exam</div> <div>20 %</div> </div> <div> <div>Final Examination</div> <div>50 %</div> </div>		
9.	Lecturer	N/A		
10.	Objective of the Subject	This subject is designed to enable students to: <ul style="list-style-type: none"> Understand the fundamental macroeconomics principles and concept. Apply fundamental principles and concepts on macroeconomics problems. Analyze simple macroeconomics issues Integrate religious faith into the learning process 		
11.	Learning Outcomes	Upon completion of this subject, students should be able to: <ul style="list-style-type: none"> Know and understand the concepts or principles of macroeconomics from conventional and Islamic perspectives. Make comparisons between conventional and Islamic perspectives in macroeconomics issues. Apply the concepts or principles to relevant problem analysis and current economic development. 		
12.	Synopsis	This subject deals with the principles of macroeconomics and its application by examining economic variables such as the national income, inflation, unemployment and the money supply. Important concepts on international trade are also included.		
13.	Topics	Details	Lecture (Hrs)	Tutorial (Hrs)
	Topic 1	Introduction to macroeconomics <ul style="list-style-type: none"> Microeconomics and macroeconomics distinction Macroeconomics objectives (conventional and Islamic perspectives) 	2	1.5
	Topic 2	Measuring National Income <ul style="list-style-type: none"> Definition Circular flow of income and expenditure in two, three and four sector economy Income expenditure output identity National income calculation Use of national income statistics Problems in measurement 	2	1.5
	Topic 3	National Income Equilibrium <ul style="list-style-type: none"> Concepts of equilibrium and disequilibrium Consumption theory (conventional and Islamic – Keynes and Fahim Khan's Model) Investment theory (conventional and Islamic) Government sector Foreign sector Determination of equilibrium in one, two, three and four 	4	3

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		<ul style="list-style-type: none"> sector economy • Multiplier • Inflationary and deflationary gaps 		
	Topic 4	Monetary Economics <ul style="list-style-type: none"> • Definition of money • Characteristics and functions of money • Money supply (M1, M2 and M3) • Consumer price index (simple and weighted price index) • Demand for money (transaction, precautionary and speculative) • Islamic view regarding speculation • Monetary policy 	4	3
	Topic 5	Public Finance <ul style="list-style-type: none"> • Types of budget • Sources of government revenue • Government expenditure • Public finance in Islam 	2	1.5
	Topic 6	Inflation and Unemployment <ul style="list-style-type: none"> • Inflation <ul style="list-style-type: none"> ○ Definition ○ Cause or types ○ Effects of inflation ○ Measures to control inflation ○ Fisher's equation • Unemployment <ul style="list-style-type: none"> ○ Definition ○ Cause or types ○ Effects of unemployment ○ Measures to control unemployment 	4	1.5
	Topic 7	International Trade <ul style="list-style-type: none"> • Introduction (difference between domestic trade and international trade) • Gains from international trade • Absolute and comparative advantage theory • Free trade zones • Trade barriers (tools and reasons for protectionism) 	4	6
	Topic 8	Balance of Payments <ul style="list-style-type: none"> • Definition • Structure • Measures to correct balance of payment deficits 	2	1.5
	Topic 9	Exchange Rate <ul style="list-style-type: none"> • Gold standard, Brettonwood and floating system • Exchange rate in Islam (As – sarf) • Roles of international Monetary Fund (IMF), World Bank and Asian Development Bank 	2	1.5
		Total contact hours	28	21
		Equivalent lecture hours	28	14
		Total lecture hours	42	
		Credit hours	3	

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14.	Main references:	Slavin, S. L (2007). Economics . International Edition, McGraw Hill.
15.	Additional References:	<ol style="list-style-type: none">1. Sloman, J (2006), Economics, 6th ed, Prentice Hall.2. Tucker, I. B (2008), Economics for Today, 5th ed, South Western College Publishing.3. Mohamed Aslam Haneef and Muhammad Anwar (2005), Studies in Islamic Economics in the 21st Century: Sharia'ah Foundations, Theory, and Institutions IN PROCESS.4. Muhammad Abdul Mannan (2003), Islamic Economics Theory and Practice, Pelanduk Publication.5. Ziauddin Ahmad, Munawar Iqbal and M. Fahim Khan (2002), Fiscal Policy and Resources Allocation in Islam, Institute of Policy Study, Islamabad.6. Ziauddin Ahmad, Munawar Iqbal and M. Fahim Khan (2002), Money and Banking in Islam, Institute of Policy Study, Islamabad.7. Khurshid Ahmad (2000), Studies in Islamic Economics, The Islamic Foundation, London.
	Other Materials:	All other materials will be available to students online.