1. **: AEC 1201 INTRODUCTORY MACROECONOMICS**
2. **INSTRUCTORS:**  Assoc. Prof. Johnny Mugisha (B.Sc. Agric.; M.Sc. Agric.; PhD)

 (Associate Professor).

 Ms. Alobo Sarah (BSc. Agric., MUK; MSc. Agric. & Applied

 Econ., MUK) (Teaching Assistant).

1. **COURSE TYPE & LOCATION**: Core for B.Sc. Agric. I and B. FST I; Faculty of Agriculture, Department of Agricultural Economics & Agribusiness.
2. **COURSE STRUCTURE**

3 Credit Units: 45 Contact Hours per semester; 30 lecture hours (2 contact hours per week for 15 study weeks) and 30 tutorial hours (1 contact hour per week for 15 study weeks)

1. **COURSE DESCRIPTION**

Students undertaking this course will be introduced to concepts and applications of macroeconomics in agriculture. Areas to be covered include: Macro-economic concepts & goals; Aggregate supply & national income, consumption and investment; Monetary policies; Public finance; International trade; Money and Banking; Inflation; Unemployment & Economic growth.

**6. COURSE OBJECTIVES**

**General objective**

* To equip students to answer questions concerning economic life of a nation and the entire world.

**Specific objectives**

* To enable students to answer questions relating to:
* The role of the various actors in the economy;
* How the various economic sectors are interrelated;
* How economic changes in one sector affect the other sectors, the nation and the rest of the world.
* To enable students improve their ability to evaluate the proposals of political leaders regarding taxes, public spending and other policies that may have crucial effects on the national economy.

**7. RECOMMENDED REFERENCES FOR READING**

1. Macroeconomics by Mankiw N.G.
2. Tayebwa B. (1992). Basic Economics. 2nd Edition, Simplified Textbooks Agency, Kampala.
3. Macroeconomics by R. Dornbush and S. Fischer.
4. Samuelson P.A. and W.D. Nordhaus (1989). Economics. McGraw Hill International Editions. Singapore.

**8. COURSE CONTENT, METHODS OF INSTRUCTION, TOOLS AND EQUIPMENT REQUIRED**

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| **TOPIC** | **CONTENT** | **METHOD OF INSTRUCTION / Time allocated** | **TOOLS / EQUIPMENT NEEDED** |
| 1. **INTRODUCTION**  | * Definitions of Economics,

Microeconomics & Macroeconomics* Key questions addressed by

MacroeconomicsTake-home assignment 1: Goals of macroeconomics | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 2. **MEASURING NATIONAL INCOME** | * The concept of GDP & GNP
* The three approaches of measuring

national incomeTutorial 1: comparing the different methods of measuring GDP. | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 3. **MEASURING NATIONAL INCOME** | * Importance of measuring national

income * problems in measuring

national incomeTutorial 2: Computing GDP & other indicators of national income | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 4. **THE CIRCULAR FLOW OF NATIONAL INCOME** | * Household sector, business sector,

government sector, foreign sector & financial intermediaries* Consumption theory

Tutorial 3: The simple & extended circular flow models of national income | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| **5. THE CIRCULAR FLOW OF NATIONAL INCOME** | * Some important identities in

National income accountingTutorial 4: Derivation & computation of some important identities | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 6. **INCOME DISTRIBUTION** | * The concept of GDP per capita
* Income inequality & the Lorenz curve

Tutorial 5: Computing GDP per capita, Deriving the Lorenz curve. | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 7. **INCOME DISTRIBUTION** | * Income inequality: A case of Uganda
* Analysis of causes & possible solutions to the problem of income inequality

Tutorial 6: Group presentations on income inequality situation in Uganda | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 8. AGGREGATE DEMAND & AGGREGATE SUPPLY | * Definitions
* Price Level, National Output
* Shifts in aggregate demand and aggregate supply curves

Tutorial 7: Aggregate demand and Aggregate supply curvesQuiz 1: covering topics 1-8 | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 9. **INFLATION** | * Price indices (CPI, PPI, GDP Deflator)
* Types, causes & effects of inflation
* The Phillips curve

Tutorial 8: Measuring inflation | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 10. **TAXATION** | * Importance of taxation & the classification of taxes
* Impact of taxation on the economy
* Fiscal policies
* Problems in taxation

Tutorial 9: Structure of taxation in Uganda | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 11. **MONEY AND BANKING**  | * Money & money supply
* The central bank & commercial banks
* Credit creation
* Financial intermediation

Tutorial 10: A case study of Central Bank of Uganda & its operations | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 12. **UNEMPLOYMENT** | * Voluntary & involuntary unemployment
* Frictional, structural & cyclical unemployment
* Underemployment

Tutorial 11: Types of unemployment | Interactive lectures ( 2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| **13.****UNEMPLOYMENT** | * Unemployment: A case of Uganda
* Analysis of causes & possible solutions to the problem of unemployment

Take home assignment 2: Examine the unemployment situation in Uganda | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| 14. **INTERNATIONAL TRADE** | * The basis for international trade
* The principles of absolute advantage & comparative advantage
* Advantages of international trade

Tutorial 12: Measuring absolute & comparative advantage | Interactive Lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| **15. INTERNATIONAL TRADE** | * The foreign exchange & foreign exchange market systems
* Currency depreciation, appreciation and devaluation

Tutorial 13: Foreign exchange systems in UgandaQuiz 2: covering topics 9-15 | Interactive lectures (2 hrs)Tutorial (2 hrs) | Chalk / BB or Markers / Flip charts |
| **16 - 17** | * Revision time
* Final Examination
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**9. SUMMARY OF TIME NEEDED**

Lectures 30 hrs

Tutorials (and assignments) 15 hrs

**10. COURSE ASSESSMENT:**

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| Continuous assessment (Quizzes): | There will be 2 Quizzes arising from tutorials, assignments and topics covered, during week 8 and 15 of the semester | 20% |
| Continuous assessment (assignments): | Students will write 2 take-home assignments | 20% |
| University Examination: | Final examination during week 16-17 of the semester | 60% |