



FAKULTI TEKNOLOGI DAN KEJURUTERAAN

PROGRAM	Diploma in Accountancy
COURSE NAME	MACROECONOMICS
COURSE CODE	ECO211
CREDIT HOUR	3
SYNOPSIS	The course discusses the principles and concepts in macroeconomics, such as national income accounting, determination of national income equilibrium, macroeconomics problems and policies and international economics. In addition, the course also encompasses the application of concepts and principles of macroeconomics in analyzing economic issues. Students will also be exposed to Islamic economics wherever applicable.
COURSE STRUCTURE	
CHAPTER	TOPICS
1	Introduction to Macroeconomics 1.1 Introduction to macroeconomics 1.1.1 Definition of macroeconomics 1.1.2 Difference between macroeconomics and microeconomics 1.2 Objectives of macroeconomics (conventional and Islamic) 1.2.1 Objective macroeconomics in conventional perspective 1.2.2 Objective macroeconomics in Islamic perspective
2	Measuring National Income and Output 2.1 Concepts in national income 2.2 Circular flow of income in a 2, 3, and 4-sector economy 2.3 Three approaches of measuring national income: 2.3.1 Income approach 2.3.2 Expenditure approach 2.3.3 Output approach 2.4 Concepts and measuring personal income, disposable income, per capital income, nominal and real income 2.5 Uses of national income statistic 2.6 Problems in measuring national income



<p>3</p>	<p>Determination of National Income Equilibrium</p> <p>3.1 Two approaches in determine national income equilibrium 3.1.1 AD=AS approach 3.1.2 Injection=Leakages approach</p> <p>3.2 Consumption theory: Conventional Autonomous and induced consumption 3.3 Islamic consumption theory: Fahim Khan Islamic consumption 3.4 Investment theory conventional perspective Autonomous and induced investment 3.5 Calculation Income equilibrium in a 2, 3, and 4-sector economy (autonomous tax only) 3.6 Expenditure multiplier and tax multiplier 3.7 Inflationary gap and deflationary gap</p>
<p>4</p>	<p>Money, Banking & The Financial System</p> <p>4.1 Definition, characteristics and functions of money 4.2 Supply of money (M1, M2, & M3) 4.3 Keynesian Demand for money (transaction, precautionary, and speculative motives) 4.4 Money market equilibrium 4.5 Functions of Central bank and monetary policy (types and tools) 4.6 Function of Commercial banks and credit creation process 4.7 Islamic banking products (al-wadiah, al-mudharabah, al-bai bithaman ajil, al-musarakah and al-ijarah)</p>
<p>5</p>	<p>Public Finance</p> <p>5.1 Concepts of public finance 5.2 Sources of conventional government revenue (tax and non-tax revenue) and expenditure 5.3 Types of government expenditure: operating and development 5.4 Types of tax structure 5.5 Types of government budget (deficit, surplus, and balanced budget) 5.6 Fiscal policy (types and tools) 5.7 Public finance in Islam 5.8 Sources of Islamic government revenue (zakat, wakaf, kharaj, ushr, jizyah, fai,ghanimah) and types of expenditure</p>
<p>6</p>	<p>Macroeconomic Problems</p> <p>6.1 Inflation 6.1.1 Definition 6.1.2 Calculation of inflation rate 6.1.3 Two types of inflation 6.1.3.1 Demand pull inflation 6.1.3.2 Cost push inflation 6.1.4 Effects of inflation</p>



	<p>6.1.5 Measures to control inflation (monetary policy, fiscal policy, and direct control)</p> <p>6.2 Unemployment</p> <p>6.2.1 Definition</p> <p>6.2.2 Calculation of unemployment rate</p> <p>6.2.3 Types of unemployment</p> <p>6.2.4 Effects of unemployment</p> <p>6.2.5 Measures to control unemployment (monetary policy, fiscal policy, and direct control)</p>
7	<p>International Economics</p> <p>7.1 International trade</p> <p>7.1.1 Definition of international trade</p> <p>7.1.2 Reasons for trade</p> <p>7.1.3 Concepts and applications of absolute and comparative advantages</p> <p>7.1.4 Advantages and disadvantages from trade</p> <p>7.2 Protectionism:</p> <p>7.2.1 Arguments</p> <p>7.2.2 Tools</p> <p>7.3 Balance of payments (BOP)</p> <p>7.3.1 Definition</p> <p>7.3.2 Structure and calculations of BOP (current BOP of Malaysia)</p> <p>7.3.3 Effects of BOP deficit</p> <p>7.3.4 Measures to reduce BOP deficit</p> <p>7.4 Exchange rate</p> <p>7.4.1 Definition</p> <p>7.4.2 Fixed and flexible/floating exchange rate systems</p>
References:	<p>Nabila Ahmad, Zulkhairi Nisa, Irlisuhayu Mohd Ramli, Rosmaiza Abd Ghani, <i>Essentials of Economics</i>, 1, McGraw Hill Education (Malaysia) Sdn Bhd, 2021, ISBN: 9789670761541</p>