



**FAKULTI PENGURUSAN DAN INDUSTRI HALAL**

<b>PROGRAM</b>	<b>Diploma in Technology Management</b>
<b>COURSE NAME</b>	<b>PRINCIPLES OF MACROECONOMICS</b>
<b>COURSE CODE</b>	<b>DDWG 1423</b>
<b>CREDIT HOUR</b>	<b>3</b>
<b>SYNOPSIS</b>	This course is designed to expose students to the basic economics level that consist of concepts and theories in macroeconomics. These concepts involve national income accounting, uses and limitations of national income statistics, consumption theory, investment theory, the determination of national income equilibrium, money and banking, monetary policy, fiscal policy, national budget and debt, inflation, unemployment, international trade, balance of payment and exchange rate. At the end of the course, students should be able to apply the concepts in addressing basic macroeconomics issues.
<b>COURSE STRUCTURE</b>	
<b>CHAPTER</b>	<b>TOPICS</b>
<b>1</b>	<b>INTRODUCTION TO MACROECONOMIC</b>  1.1 Objectives and policies 1.2 Circular flows of income 1.3 Open and close economy
<b>2</b>	<b>NATIONAL INCOME ACCOUNTING</b>  2.1 Calculation method 2.2 Difficulties of national income measurement 2.3 Uses of national income statistics 2.4 Comparison of national income over time
<b>3</b>	<b>CONSUMPTION AND SAVINGS</b>  3.1 Consumption and savings functions 3.2 Determinants of consumption and savings 3.3 The relationship between consumption and savings



<b>4</b>	<b>4.0 INVESTMENT</b>  4.1 Investment theory 4.2 Determinants of investment 4.3 Accelerator theory
<b>5</b>	<b>NATIONAL INCOME DETERMINATION</b>  5.1 Two, three and four sector economy 5.2 Income and expenditure approach 5.3 Withdrawal and injection approach 5.4 Changes in national income equilibrium and Capabilities 5.3 Strategic Intent 5.4 The multiplier 5.5 Full employment national income 5.6 Inflationary gap and deflationary gap
<b>6</b>	<b>FISCAL POLICY</b>  6.1 Government expenditure and multiplier 6.2 Taxes and multiplier 6.3 Determination of equilibrium output
<b>7</b>	<b>TAXES AND GOVERNMENT BUDGET</b>  7.1 Structure, burden, and types and effects of taxes 7.2 Taxation in Malaysia 7.3 Government budget
<b>8</b>	<b>MONEY</b>  8.1 Barter system 8.2 Functions of money 8.3 The quantity theory of money 8.4 Theory of cash balances 8.5 Keynesian theory of money 8.6 Money market equilibrium



	8.7 Changes in money supply and economic activities
<b>9</b>	<b>BANKING</b> 9.1 Functions of commercial banks 9.2 Credit creation 9.3 Functions of central bank 9.4 Difference between commercial bank and central bank 9.5 Monetary policy
<b>10</b>	<b>INFLATION</b> 10.1 Price indexes 10.2 Types of inflation 10.3 Effects of inflation 10.4 Inflationary measures
<b>11</b>	<b>INTERNATIONAL TRADE</b> 11.1 Basis for trade 11.2 Principle of absolute and comparative advantages 11.3 Terms of trade 11.4 Trade restriction 11.5 Arguments for restrictions
<b>12</b>	<b>BALANCE OF PAYMENT</b> 12.1 Balance of payment account 12.2 Disequilibrium in balance of payment 12.3 Exchange Rates 12.4 Gold standard system 12.5 Fixed and flexible exchange rates
<b>References:</b>	1. Paul Krugman, Robin Wells (2017). Macroeconomics 5th Edition. Worth Publishers.