

Introduction to The Macroeconomics

About this Course

In this course, you will be introduced to some basic concepts of country-level Macroeconomics that are relevant for an integrated understanding of the macroeconomic environment in which your business (or future business) operates. In this course, will cover the Gross Domestic Product (GDP) and its components deeply, and the inflation, monetary policy, balance of payments, and the concept of real exchange rate.

At the end of this course, you will be able to: - Understand the concept of GDP and its importance for businesses established in a country; - Analyse de GDP by breaking down its key components; - Understand the importance of inflation, monetary policy, balance of payments, and real exchange rate for a country's macroeconomic environment. - And above it all. Understand how to make connections between those concepts and try to make good use of them when establishing your business plan or your investment decisions.

Need of the Course

Macroeconomics is essential background for the business manager and policymaker. Consequently, macroeconomics is an integral part of the business curriculum in mature and developing countries alike. And well it should be. The economy affects decisions by investors, manufacturers, distributors, importers and exporters, etc. in all parts of the world. Often, it is the difference between growth and profitability on one hand, and stagnation or failure on the other.

In recent years as the world economy has undergone overwhelming changes, especially in East Asia and now in the advanced countries, understanding what is going on in the local economy and “out there in the world” has become a particular challenge to managers. The new developments, of which the “new economy” is the most recent one, do not supersede the basic theoretical framework of macroeconomics. But they add greatly to the challenge of understanding the economic situation and to its uncertainty.

Aim and Objectives

The goal of macroeconomics is to provide students with a broad overview of the aggregate economy. One important goal of this course is to provide students with a good understanding of aggregate economic accounts and definitions, principally so that they can read and understand news and television reporting of the aggregate economy. In addition, students will be exposed to theories of economic growth (the “long run”) and theories of the business cycle (the “short run”). The course should feature a heavy emphasis on the role of economic policy: monetary and fiscal policies aimed at short run stabilization, policies concerning trade and international finance, and policies aimed at promoting long run growth. In particular, instructors should make an effort to draw on recent periodicals and newspapers to discuss the applications of the theories and ideas to the real world.

The objectives of this course are:

1. The purpose of this course is to help students learn the fundamentals of economics and they can apply these concepts to their lives and to the world in which they live.
2. Economic theory is useful and interesting only if it can be applied to understanding actual events in energy sector and policies. Therefore, this course gives greater understanding about economic news and issues of energy around the world.
3. It helps in decision making in order to achieve desired economic goals. It enhances the capability of participants to understand the prevailing economic and business policy in totality and its impact on the energy sector.
4. It improves the ability of the students to apply economic concepts to complex business realities as well as support them to forecast in the energy business

What you will learn

- Concept of Gross Domestic Product, why it is crucial for your business plan as it is also considered to be the income of the country
- Components of the Gross Domestic Product: consumption, investments, government, exports, imports and Keynes multiplier
- Monetary Policy, Balance of Payments, and Real Exchange Rate

Syllabus

Gross Domestic Product (GDP) concept and components (3hrs)

Welcome to the Macroeconomics for Business Management course! During this, we will cover the concept of Gross Domestic Product, why it is crucial for your business plan as it is also considered to be the income of the country, and one of its components, household consumption.

GDP Components: Investments and Government (3hrs)

During this, we will continue the analysis of the Gross Domestic Product components, covering investments and government. Mainly how investors in gross capital formation make their decision using some key elements such as real interest rates (cost of opportunity) and confidence.

GDP Components: Exports, Imports and Keynes multiplier (3hrs)

During this, we will finish our discussion on Gross Domestic Product components, covering exports, imports, and the Keynes multiplier. Exports and imports are critical to robust GDP growth as no country can make or produce everything alone. Hence, to better understand how economic growth could benefit from international trade is also essential to understand whether a country may envisage better domestic productivity onwards.

Inflation, Monetary Policy, and Balance of Payments (3hrs)

During this, we will cover the concepts of Inflation, Monetary Policy, Balance of Payments, and Real Exchange Rate. Balance of payments are also crucial to understand if a country is on the verge to experience a currency crisis which indeed could trigger inflationary, corporate, banking and economic crisis.

