Department of Business Faculty
Subject Syllabus

Subject Code	:	MGM06
Subject Title	:	**Macroeconomic and Microeconomics**
Subject Specification	:	For Management Study Program
Subject Overview	:	

Macro and Micro Economics covers the scope of both the macroeconomic and microeconomic dimension. This subject will have a balanced approach to the theory and application of both the macroeconomic and microeconomic concepts, with attention to the knowledge and skills necessary for student success in this course.

Course Objectives :

1. Defined the fundamental concept of both Macro and Microeconomics and the difference between them in whole economics
2. In a Macroeconomic point of views, this course gives the student understanding vital variable to understand Macroeconomics in the country (GDP and GNI)
3. In a Macroeconomic point of views, using the balance of payment, International Investment Position, Exchanges Market, and exchanges rate system, to help the students understand the position of one country compared to the rest of the world/others
4. In a Microeconomic point of view, this course gives the understanding concept between supply and demand and the difference between them
5. With an understanding of supply and demand, students expected to have understanding hows the market works
6. This course explains understanding dynamics surrounding of Macro and Microeconomics in regards to
7. In a Microeconomic point of view, using the cost-function analysis enable the students to determined the prices and differentiate the types of cost
8. This course also helps the student to understand the perfect and imperfect competition, as well as how to do the pricing strategies on the market.

Course Method :

Instructors may use a variety of methods in teaching the course, depending on their background and experience. Suggested alternatives include:

1. Student Interaction groups involved in discussion, decision making, and reporting.
2. Guest Economics "expert" lecturers and speakers.

3. Panel discussion of the pros and cons of various economic issues.
4. Video recorded presentations of various short economics subjects.
5. Discussion and lecture on various economics topics.
6. Student involvement in discussing current happenings/issues
7. Student discussions of decisions on problems, questions, cases, etc., from the student supplement, or situations provided by the instructor.
8. Student written reports and analyses of cases.
9. Oral presentations and debates by students focusing on relevant topics.

Learning Outcome (Competence) :

Knowledge : Know to how and understanding the concept of Macroeconomics and Microeconomics

Skill : Able to carry out fundamentals analysis both in macroeconomics and microeconomic

Attitude : Students are encouraged to have an economic mindset

Grading System:

Course Evaluation :
As a general rule, students are evaluated based on the following criteria:

Final Examinations	35%
Mid-term Examinations	25%
Coursework and assignments	30%
Attendance	10%
TOTAL	100%

Evaluation elements are stated in quantitative forms, ranging from 0 to 100. The acceptable grade for the LSPR undergraduate programme is 60 and above. In the Letter Grade System, the quantitative grades mean:

Grade	Symbol	Conversion Value
90 – 100	A	4.0
85 – 89.99	A-	3.7
80 – 84.99	B+	3.3
75 – 79.99	B	3.0
70 – 74.99	B-	2.7
65 – 69.99	C+	2.3
60 – 64.99	C	2.0
50 – 59.99	C-	1.7
40 – 49.99	D	1.0
< 40	E	0

The student Grade Point Average (GPA) is organized into the following categories:

1. GPA of 0.00 – 1.99 = Fail
2. GPA of 2.00 – 2.49 = Pass
3. GPA of 2.50 – 2.99 = Credit
4. GPA of 3.00 – 3.49 = Merit
5. GPA of 3.50 – 4.00 = Distinction

Scheme of Work :

Session	Title/Topic	Area Discussion	Activities
I	Income, Saving, and Investment	Most Important Macroeconomics Variable (Overview) ● GDP ● Inflation ● Nominal and Real Interest Rate ● Balance of Payment ● Exchange Rate GDP ● Equality Concept of Output, Income, and Expenditure ● Example with diagrams Definition and Measurement of GDP ● The Definition of GDP With Output Approach, Including The Definition of Gross National Income. The Differences Between GDP and GNI. Conversion of GDP to GNI ● The Definition of GDP With The Expenditure Approach Through 4 Major Expenditures Explanation: Consumption, Investment, Government Purchases of Goods and Services, Net Export (Export Less Import) ● The Definition of GDP With The Income Approach.	Introduction to course's syllabus and academic expectations. Introduction case study. Lecture with videos. Class discussion.
II	Real GDP, Price Index, Inflation, and Deflation	Real GDP ● Real GDP Versus Nominal GDP (with exercise) Price Indexes, Inflation, and Deflation	Lecture with videos. Class discussion. Class debate.

		• Definitions and Foundations • The Negative Impacts of Inflation and deflation The GDP Deflator • Definition • Example The Consumer Price Index (CPI) • Definitions • Construction of CPI • Example of CPI Developments • The Differences Between CPI and GDP Deflator	
III	Balance of Payments (BOP)	Balance of Payment Overview Structure of The Balance of Payments • Foundations: Credit, Debit, Surplus, and Deficit • Overviews of BOP Structure • Current Account – Definition • Capital Account • Financial Account – Definition	Lecture with videos. Class discussion.
IV	The International Investment Position (IIP)	The International Investment Position • Overview and Definition • Causes The Changes In The IPP • The Current Account and Its Influence On The International Investment Position • Relations between IPP and Current Account Balance	
V	The Foreign Exchange Market and Exchange Rate Systems	The Foreign Exchange Market • Definitions - Nominal Exchanges Rate (Spot & Forward) - Appreciation and Depreciation • Examples: Euro/US Reference Exchange Rate	Introduction case study. Lecture with videos. Class discussion. Exercise on designing an organizational chart.

		• Actors in The Foreign Exchange Rate • The volume of The Foreign Exchange Rate • Market Share of The Foreign Exchange Rate • Supply and Demand In The Foreign Exchange Rate	
VI	Exports and Imports From A Macroeconomics Perspective and The Real Exchange Rate	Exports and Imports From A Macroeconomics Perspective • Openness – Dimensions of Openness • The implication of Openness in Goods Markets The Real Exchange Rate and International Price Competitiveness • Real Exchanges Rate as The Prices Determinant of Exports and Imports • The Bilateral Real Exchanges Rate	Group presentation with audio-visual aids and recorded video or PPT with audio recording. Class discussion.
VII	Purchasing Power Parity	The Law of One Price • Domestic Version • International Version • General Definition Purchasing Power Parity (PPP) Theory • Definition and Implication • Relation Between PPP and The Law of One Price • Absolute PPP Versus Relative PPP • Empirical Evidence • "Big Mac" Case – PPP Exchange Rate Based on The Price of Burger	
Midtest			

VIII	Introduction To Microeconomic (11)	Trade Overview ● Trade on Goods (Merchandise) ● Trade on Service ● WTO ● UNCTAD ● Historical Development of Trade ● Recent World Trade Development	
IX	The Foundation of Supply and Demand (12)	Definition of Supply and Demand Demand ● The Demand Curves: Relationship Between Price and Quantity Demand ● Market Demand Versus Individual Demand ● Swifts Versus Movements Along on The Demand Curves ● Causes (Determinants) Swift in Demand Curves Supply ● The Supply Curves ● Relationship Between Price and Quantity Supply ● Market Supply Versus Individual Supply ● Swifts Versus Movements Along on The Supply Curves ● Causes (Determinants) Swift in Supply Curves	
X	Market And Welfare (13)	Welfare Economic ● Review of Market Equilibrium ● Definition and Concept of Welfare Economics Consumer Surplus ● Willingness to Pay And Consumer Surplus ● The Demand Curves And Consumer Surplus ● Influence of Prices on Consumer Surplus	

		• Consumer Surplus as a Measurement of Economics Well-being Production Surplus • Production Cost and Willingness to Sell • The Supply Curves and Producer Surplus • The Influence of Price in The Producer Surplus Market Efficiency • Total Surplus as a Measurement of Economics Well-being • Market Equilibrium Evaluation	
XI	Quantitative Demand Analysis	Overview of Quantitative Demand Analysis Elasticity Concept • Own Price Elasticity of Demand • Cross Price Elasticity • Income Elasticity • Other Elasticities	
XII	Cost-Function	Overview of Cost Function The Cost Function analysis on Short Run Average And Marginal Cost • Average Fix Cost • Average Variable Cost • Average Total Cost • Marginal (Incremental) Cost Fixed and Sunk Cost The Cost Function analysis on Long Run Economics of Scales	
XIII	Perfect and Imperfect Competition	Perfect Competition • Explanation • Pricing Decisions • Profit-Maximising (Output Decisions) Monopoly	

		• Explanation • Sources of Monopoly Power • Marginal Revenue • Profit Maximization Monopolistic Competition • Explanation • Profit Maximization • Long-Run Equilibrium	
XIV	Pricing Strategies	Pricing Strategies with Market Power Pricing Discrimination • Multiple Price Markets • First Degree Price Discrimination • Second Degree Price Discrimination • Third-Degree Price Discrimination Alternative Pricing Strategies • Two-Part Pricing (Tariff) • Block Pricing (Extract More Consumer Surplus) • Commodity Bundling (Extract More Consumer Surplus) • Cross-Subsidiaries (Extract More Consumer Surplus) Pricing in The Intense Competition (to Avoid P = MC) Pricing as A Strategy • Limit Pricing • Predatory Pricing • Price Discrimination • Raising Rival's Cost	
	Finaltest		

Guidelines

Midterm Paper Guideline **:** Written/Presentation/Projects

Final Paper Guideline **:** Written/Presentation/Projects

References :

Main Textbook:

Baye, Michael. R; Prince, Jeffrey T. (2017) : Managerial Economics and Business Strategy 9th edition. Mcgraw Hill Education

Blancard,O. (2011) : Macroeconomics, Update Edition. 5th edition. Boston : Pearson

Krugman, P.; Obstfeld,M.; Meliz,M.J. : International Economics: Theory and Policy. 9th Edition. Pearson (UK)

Mankiw, Gregory N; Taylor, Mark P. (2014): Economics. Cengage Learning

Pugel,T. (2012) : International Economics. 15th edition. Mcgraw Hill

Prepared by:	Checked by :
Cyntia Keliat, S.I.Kom., MM.	**Cyntia Keliat, S.I.Kom., MM.** Head of Management Study Programme
Reviewed by :	Approved by :
Yuliana R. Prasetyawati, MM. Dean of Business Faculty	**Dr. Janette Maria Pinariya** Vice Rector