

SYLLABUS

COURSE

MACROECONOMIC THEORIES II

(EKO1222)



IPB University
— Bogor Indonesia —

Lecturer Team:

- 1. Prof. Dr. Ir. Hermanto Siregar, M.Ec.**
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- 3. Dr. Heni Hasanah, SE, M.Si**
- 4. Fahmi Salam Ahmad, S.Stat, M.Si**

**DEVELOPMENT ECONOMICS STUDY PROGRAM
DEPARTMENT OF ECONOMICS
FACULTY OF ECONOMICS AND MANAGEMENT
IPB UNIVERSITY
2024**



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**IPB UNIVERSITY
FACULTY OF ECONOMICS AND MANAGEMENT
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SEMESTER LESSON PLANS (RPS)

Course Name (MK)	Course Code	Course Cluster	Weight (credits)		Semester	Approval Date		
Macroeconomic Theories II	EKO1222	Foundational Literasies, Academic Core Courses	Lecture: 3(3-0)	Practicum: 3(3-0)	4	August 12, 2024		
			Total student workload:	Face-to-face:			Independent learning:	Maximum class size:
			135 Hours	50 Hours			85 Hours	100 Students
AUTHORIZATION / APPROVAL	RPS Developer Lecturer		Course Coordinator		Head of Study Program			
	Signature Prof. Dr. Ir. Hermanto Siregar, M.Ec.		Signature Prof. Dr. Ir. Hermanto Siregar, M.Ec.		Signature Dr. Tony Irawan, S.E, M.App.Ec			
Course Category	CCC/FC/FL/ACC/IC/Final Year Project (cross out unnecessary words)							
Course Description	This course provides students with knowledge about the performance of an open macroeconomy and its implications in achieving internal and external balance, specifically in developing countries. In this course, students are equipped with various theories and macroeconomic models, particularly within the context of an open economy relevant to developing countries like Indonesia, accompanied by several empirical illustrations.							
Intended Learning Outcomes (ILOs) of the Study Program	Study Program Learning Outcomes assigned to the Course							
	ILO 1	Have the skills to apply analysis methods, concepts, and economic theories in accordance with developments in science and technology for decision-making, problem-solving, and planning, both on a micro and macro scale, for the purposes of development, social issues, and business.						
	ILO 2	Master the concepts, theories, and analytical methods in the field of economics, both micro and macro, as well as its branches.						
	ILO 3	Able to communicate verbally and in writing in the field of economics logically, creatively, and innovatively by utilizing developments in science and technology, interacting with the public, and making responsible decisions both independently and in groups.						
Course Learning Outcomes	Learning Outcomes (CLOs)							
	CLO 1	Students are able to explain the concepts, performance, and issues in an open macroeconomy as well as the related institutional issues in developing countries accurately and relevantly						
	CLO 2	Students are able to analyze the policy implications of an open economy to achieve internal and external balance in developing countries accurately and relevantly						
	Sub-Learning Outcomes (Sub-CLOs)							
	Sub-CLO 1	Students are able to explain the concepts of openness, performance, and macroeconomic issues in developing countries accurately and relevantly						

	Sub-CLO 2	Students are able to explain the institutional issues and political economy of open macroeconomics accurately and relevantly	
	Sub-CLO 3	Students are able to analyze a condition based on macroeconomic models of open economies accurately and relevantly	
	Sub-CLO 4	Students are able to explain the relationship between foreign investment and economic growth in developing countries accurately and relevantly	
	Sub-CLO 5	Students are able to explain the causes and implications of debt crises and capital flight in developing countries accurately and relevantly	
	Sub-CLO 6	Students are able to explain the relationship between budget deficits, inflation, and the balance of payments in developing countries accurately and relevantly	
	Sub-CLO 7	Students are able to analyze the relationship between money growth, inflation, and monetary policy in developing countries accurately and relevantly	
	Sub-CLO 8	Students are able to analyze variations in exchange rate policy regimes in developing countries and their implications for the economy accurately and relevantly	
Relevance of CLO and Sub-CLO		CLO 1	CLO 2
	Sub-CLO 1	✓	✓
	Sub-CLO 2	✓	
	Sub-CLO 3	✓	✓
	Sub-CLO 4	✓	✓
	Sub-CLO 5	✓	✓
	Sub-CLO 6	✓	✓
	Sub-CLO 7	✓	✓
	Sub-CLO 8		✓
Courses offered for	✓ Major		
Main References	<ol style="list-style-type: none"> Hossain, A. and Chowdhury, A. (1998). <i>Open-Economy Macroeconomics for Developing Countries</i>, Edward Elgar, Cheltenham UK (HC) Terra, C. (2015). <i>Principles of International Finance and Open Economy Macroeconomics: theory, applications, and policies</i>, Elsevier, Amsterdam (T). 		
Lecturers (Teaching Team)	<ol style="list-style-type: none"> Prof. Dr. Ir. Hermanto Siregar, M.Ec. Prof. Dr. Ir. Dedi Budiman Hakim, MA.Ec. Dr. Heni Hasanah, SE, M.Si Fahmi Salam Ahmad, S.Stat, M.Si 		

Table 1. Lesson Plan for Each Meeting

Week	Basic Competence/ Final Skills(Sub- CLO)	Study Material	Learning Method	Estimated Time (Minutes)	Learning Experience	Indicator	Assessment Criteria	Assessment Weight (%)
Students are able to:								
1	<i>Students are able to explain the concepts of openness, performance, and macroeconomic issues in developing countries accurately and relevantly</i>	<ul style="list-style-type: none"> • Introduction • Openness • Review of Small Open Economy Theory 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	-	0
2	<i>Students are able to explain the concepts of openness, performance, and macroeconomic issues in developing countries accurately and relevantly</i>	<ul style="list-style-type: none"> • Concept of Balance of Payments • Concept of Exchange Rates • Concept of Purchasing Power Parity • Concept of Terms of Trade 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Midterm Exam 	50
3	<i>Students are able to explain the concepts of openness, performance, and macroeconomic issues in developing countries accurately and relevantly</i>	Issues and problems: <ul style="list-style-type: none"> • demand shocks • inflation shocks • terms of trade shocks • the debt crisis shocks • demand shocks • the Dutch disease • capital flow and macroeconomic instability • currency substitution and capital flight 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Midterm Exam 	50
4	<i>Students are able to explain the institutional issues and political</i>	Policy objectives and instruments,	<i>Lecture (lecture, discussion) Group assignment</i>	3x50'	<ul style="list-style-type: none"> • Active participation in lectures 	<ul style="list-style-type: none"> • Accuracy and completen 	<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Midterm Exam ○ Group Assignment 	50

	<i>economy of open macroeconomics accurately and relevantly</i>	institutional development			<p>by asking and answering questions</p> <ul style="list-style-type: none"> • Discussion in groups related to the role of international institutions, including pros and cons in developing countries based on specific journals • Summarizing the results of the literature review • Presentation of discussion results in the form of a 5-10 minute video 	<p><i>ess of explanations in answering exam questions</i></p> <ul style="list-style-type: none"> • <i>Timeliness of assignment submission</i> • <i>Depth/completeness in the presentation of results</i> • <i>Clarity and accuracy of the information provided in the presentation</i> 		
5	Students are able to analyze a condition based on macroeconomic models accurately and relevantly	<ul style="list-style-type: none"> • Policy Issues and Tinbergen's Rules • Absorption and Balance of Payments • Mundell-Fleming Model with Wage and Price Adjustment • Tradeable and Non-Tradeable Sector Models 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	<ul style="list-style-type: none"> • <i>Cognitive/Knowledge:</i> <ul style="list-style-type: none"> ○ <i>Midterm Exam</i> 	50

6	Students are able to explain the relationship between foreign investment and economic growth in developing countries accurately and relevantly	<ul style="list-style-type: none"> • Flows of Foreign Aid • Flows of Private Foreign Capital • Issues and Management of Large Capital Flows 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Midterm Exam 	100
7	Students are able to explain the causes and implications of debt crises and capital flight in developing countries accurately and relevantly	Debt Crisis of the 1980s and Capital Flight	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Midterm Exam 	100
8	Exams to evaluate material mastery by students on the material of Meeting 1 up to Meeting 7	Material from Meeting 1 to Meeting 7	Completing written exam questions	2x60''	Understanding the material taught, both in theory and in its practical application in the real world.	<ul style="list-style-type: none"> • Completeness and accuracy of explanations in answering exam questions 	<ul style="list-style-type: none"> • Paper-based written exam to assess understanding of the material 	
9	Students are able to explain the relationship between budget deficits, inflation, and the balance of payments in developing countries accurately and relevantly	<ul style="list-style-type: none"> • Macroeconomic Consequences of Budget Deficits • Government Budget Constraints • Impact of Budget Deficits on Money Supply • Budget Deficits and Inflation 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Final Exam 	50
10	Students are able to explain the relationship between budget deficits, inflation, and the balance of payments in developing	<ul style="list-style-type: none"> • Budget Deficits and Real Interest Rates • Budget Deficits and Private Savings 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Final Exam 	50

	countries accurately and relevantly	<ul style="list-style-type: none"> ● Fiscal Policy and Private Investment ● Budget Deficits, Balance of Payments, and Exchange Rates ● BOP Crisis Modes 						
11	Students are able to analyze the relationship between money growth, inflation, and monetary policy in developing countries accurately and relevantly	<ul style="list-style-type: none"> ● Inflation: A Monetary Phenomenon ● The Formation of Money as a Source of Government Revenue ● Inflationary Financing in Developing Countries 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking and answering questions</i>	<i>Accuracy and completeness of explanations in answering exam questions</i>	<ul style="list-style-type: none"> ● Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Final Exam 	50
12	Students are able to analyze the relationship between money growth, inflation, and monetary policy in developing countries accurately and relevantly	<ul style="list-style-type: none"> ● Monetary Models of Inflation Under Fixed and Flexible Exchange Rate Systems ● Monetary Policy as a Tool for Stabilization 	<i>Lecture (lecture, discussion)</i> <i>Individual assignment</i>	3x50'	<ul style="list-style-type: none"> ● Active participation in lectures by asking and answering questions ● Each student must obtain data from reliable sources (World Bank) and empirically demonstrate the correlation between inflation and money supply growth 		<ul style="list-style-type: none"> ● Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Final Exam ○ Individual assignment 	50
13	Students are able to analyze variations in exchange rate policy regimes in developing	<ul style="list-style-type: none"> ● Exchange Rates as Price Signals ● Approaches to Exchange Rate 	<i>Lecture (lecture, discussion)</i>	3x50'	<i>Active participation in lectures by asking</i>	<i>Accuracy and completeness of explanations</i>	<ul style="list-style-type: none"> ● Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Final Exam 	50

	countries and their implications for the economy accurately and relevantly	Policy			and answering questions	in answering exam questions		
14	Students are able to analyze variations in exchange rate policy regimes in developing countries and their implications for the economy accurately and relevantly	<ul style="list-style-type: none"> • The Political Economy of Exchange Rates • Maintaining Competitiveness 	<i>Lecture (lecture, discussion)</i> <i>Individual assignment</i>	3x50'	<ul style="list-style-type: none"> • Active participation in lectures by asking and answering questions • Each student must obtain data from reliable sources (World Bank) and empirically demonstrate the correlation between inflation and currency depreciation/appreciation 		<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Final Exam ○ Individual assignment 	50
15	Students are able to explain the institutional issues and political economy of open macroeconomics accurately and relevantly	<ul style="list-style-type: none"> • Institutions and Organizations • Sources of Government Failure • The Need for Institutional Change 	<i>Lecture (lecture, discussion)</i>	3x50'	Active participation in lectures by asking and answering questions	Accuracy and completeness of explanations in answering exam questions	<ul style="list-style-type: none"> • Cognitive/Knowledge: <ul style="list-style-type: none"> ○ Final Exam 	50
16	Students are capable of completing written exam questions to evaluate their mastery of the material from Meeting 9 through Meeting 15	Material from Meeting 9 to Meeting 15	Completing written exam questions	2x60''	Understanding the material taught, both in theory and in its practical application in the real world.	<ul style="list-style-type: none"> • Completeness and accuracy of explanations in answering 	<ul style="list-style-type: none"> • Paper-based written exam to assess understanding of the material 	

						exam questions		
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Table 2. Assessment Components

No	Assessment Component	Weight (%)	Description
1.	Cognitive/Knowledge		
	<ul style="list-style-type: none"> Assignment 	26	<p>Assignment 1: Group Assignment related to the role of international institutions, including pros and cons in developing countries (13%)</p> <p>Assignment 2: Individual assignment related to collecting data and analyzing the relationship between inflation and money supply growth (each student studies a different country) (9%)</p> <p>Assignment 3: Individual assignment related to collecting data and analyzing the relationship between inflation and currency depreciation/appreciation (each student studies a different country) (4%)</p>
	<ul style="list-style-type: none"> Midterm Exam 	37	The exam consists of multiple-choice questions, true or false questions, and essay questions
	<ul style="list-style-type: none"> Final Exam 	37	The exam consists of multiple-choice questions, true or false questions, and essay questions
	Total Weight (%)	100	