



Course: Economics II (ECO 250)
Section: 001
Term: Fall 2020

Instructor Information

Instructor name: Dr. Omar Joya	E-mail address: ojoya@auaf.edu.af
Office location:	Other instructors teaching this course:
Office hours: Thursdays (15:00 – 17:00 on skype (ID: omar.joya310))	Dr. Lutfi Rahimi (lrahimi1@auaf.edu.af)

General Course Information

Location:	
Meeting Days/Times:	Online until October 24 <ul style="list-style-type: none">Synchronous (live) Q&A sessions will be held once a week on Saturdays between 17:00 and 18:00 either on Zoom or on Canvas Conferences.
Catalogue Course Description:	<p>This course is a continuation of ECO 200 Economics I and introduces students to basic theories and concepts in macroeconomics. Topics include: economic growth, technological change, labor market, unemployment, credit market, economic fluctuations, fiscal policy, inflation, and monetary policy.</p> <p>The course will familiarize the students with the fundamental concepts in economics, enabling them to understand important economic phenomena in the real world which affect businesses and people's lives. The course aims to build/improve analytical thinking, and develop basic skills for reading graphs and understanding of economic data.</p>
Prerequisites:	
Course Format:	Lectures, Readings, Exercises, Assignments.
Canvas Link:	https://auaf.instructure.com/courses/1996
Software Required:	

Course Learning Outcomes as Correlated to Program Outcomes

Undergraduate Program Objectives

1. Graduates will demonstrate effective communication skills as they relate to business disciplines.
2. Graduates will have knowledge of business concepts, tools, and techniques commonly applied in business.
3. Graduates will be able to solve organizational problems.
4. Graduates comprehend professional legal norms and ethics in a business environment.

Course Outcomes Aligned with Program Outcomes	Relevant Program Outcomes
<p>By the end of the course, the students will understand:</p> <ul style="list-style-type: none"> • How improvements in technology happen, and how they sustain growth in living standards. • How the interactions among the firm's owners, managers, and employees influence wages and profits, and how the economy-wide market for labor determines employment in the economy. • How economies fluctuate between booms and recession as they are hit by positive and negative shocks. • How fiscal policy and monetary policy can be used to stabilize the economy and control unemployment, income, and inflation. 	<p>2. Graduates will have knowledge of business concepts, tools, and techniques commonly applied in business.</p>

Course Materials

<p>Required:</p>	<p>Textbook & Resources:</p> <p>Bowles, S., W. Carlin, and M. Stevens. 2017. <i>The Economy: Economics for a changing world.</i> The CORE Project. Oxford University Press. New York.</p> <p>E-book portal: https://www.core-econ.org/</p> <p>Students are required to create a student account using the above link, in order to access the following resources that accompany the book:</p> <ul style="list-style-type: none"> • E-book: <i>mandatory</i> • Quiz bank (MCQs with explanations for the answers; Correspond to "Questions" in the textbook/e-book): <i>mandatory</i> • "Economist in Action" videos (short videos on key topics discussed in every chapter): <i>recommended</i> • Glossary: <i>optional</i> <p>Additional Resources:</p> <ul style="list-style-type: none"> • Lecture slides provided in Modules: <i>recommended</i>
-------------------------	--

	<ul style="list-style-type: none"> Lecture videos (narrated slides by Dr. Omar Joya) on YouTube, which are published on a weekly basis in the Modules: recommended Exercises (in E-book) with Answers provided in Modules: mandatory Additional exercises provided in Modules: mandatory "Ramin's run-throughs (Links to an external site.)" (short lecture videos explaining the economic models covered in the textbook): <i>recommended</i>
Suggested:	

Course Assessment

Assessment Type	Explanation	Contribution to total grade
Participation/ Discussion	There will be 7 graded discussions.	14%
Assignments	There will be 3 graded assignments for this course.	50%
Quizzes	There will be 3 tests (quizzes/MCQs).	36%

Course grades will follow the guidelines as set forth in the university catalog. The final course grade will be based on the following table:

Grade	Marks	Points	Description
A	94 - 100	4.0	Excellent
A-	90 - 93	3.7	
B+	87 - 89	3.3	
B	84 - 86	3.0	Good
B-	80 - 83	2.7	
C+	77 - 79	2.3	
C	74 - 76	2.0	Satisfactory
C-	70 - 73	1.7	Pass
D+	67 - 69	1.3	
D	60 - 66	1.0	
F	0 - 59	0.0	Fail

Modules

The following modules are available to students through Canvas:

<https://auaf.instructure.com/courses/1996/modules>

Introduction

Technology, Population, and Growth (Unit 2)

Firms and wages

The Firm: Owners, Managers, and Employees (Unit 6)

Labor and credit markets

The Labor Market: Wages, Profits, and Unemployment (Unit 9)

Banks, Money, and the Credit Market (Unit 10)

Economic fluctuations and fiscal policy

Economic Fluctuations, and Unemployment (Unit 13)

Unemployment and Fiscal Policy (Unit 14)

Monetary policy

Inflation, Unemployment, and Monetary Policy (Unit 15)

Course Detailed Description and Tentative Schedule

Please see the weekly schedules and the course structure in the [Modules](#) page in Canvas, which includes the selected exercises from the textbook for each chapter/unit, discussions, additional exercises, assignments, and recommended 'Economist In Action' videos.

I. Introduction

Technology, Population, and Growth (Unit 2)

Discussion exercises: 2.11, 2.4

Exercises to solve: :2.3

The Firm: Owners, Managers, and Employees (Unit 6)

Discussion exercises: 6.10

Exercises to solve: 6.3, 6.4, 6.5

Assignment 1

Read the attached article on the Third Industrial Revolution. Write an essay of no less than 1200 words, discussing the following questions:

1) What is meant by the Third Industrial Revolution?

- 2) How do you compare the Third Industrial Revolution with the First Industrial Revolution in the 18th century?
- 3) How do you see the Third Industrial Revolution in terms of its contribution to economic growth and increases in living standards?
- 4) What new challenges does the Third Industrial Revolution represent to the societies today in terms of employment and inequality?
- 5) How relevant the Third Industrial Revolution is to Afghanistan? And what does it mean for us?

Quiz 1 (12 multiple answers and multiple choice questions)

II. Labor and credit markets

The Labor Market: Wages, Profits, and Unemployment (Unit 9)

Discussion exercises: In reference to Unit 9's discussion on trade/labor union, discuss whether you would advocate for labor unions in Afghanistan to be further strengthened (like in the European countries), OR you would not be in favor of such a policy because its adverse implications on unemployment rate/ wage level and you would rather prefer the United States model where labor unions are small in size. Explain your arguments.

Exercises to solve: 9.2, 9.4, 9.5, 9.6

Banks, Money, and the Credit Market (Unit 10)

Discussion exercises: 10.9

Exercises to solve: NA

Assignment 2: Unemployment & Underemployment

This assignment requires you to do a desk research and provide information for the following question in the same order as listed below:

1. Report the international definition of unemployment adopted by the ILO or the EuroStat. The definition must specify (i) the working age group; (ii) maximum number of hours per week beyond which the person will no longer be consider unemployed; (iii) reference period (number of weeks or days) for looking for job; and (iv) working hours reference period for availability to start a job.

Please also provide the link(s) to the webpages of ILO or EuroStat (no wikipedia!!) from where you are copying the definition.

2. What is the national definition of unemployment adopted in Afghanistan? The definition must include the four elements identified in the previous question.

Hint: look for the latest household survey report (Afghanistan Living Conditions Survey).

3. What is the definition of underemployment that is adopted in Afghanistan? How different is it from the national definition of unemployment?

Hint: the definition for underemployment is given in the same source/report indicated previously.

4. What are/were the unemployment rate and the underemployment rate in Afghanistan according to the source/report indicated above?

5. Which of the two measures (unemployment or underemployment) can best represent the labor market situation in countries like Afghanistan? What are your reasons? (you could compare the limitations of both measures/definitions, and assess how realistic they are for low-income countries like Afghanistan).

Quiz 2 (12 multiple answers and multiple choice questions)

III. Economic fluctuations and fiscal policy

Economic Fluctuations, and Unemployment (Unit 13)

Discussion exercises: Discuss the following questions in 3-5 paragraphs overall: (1) Why/how has Covid-19 led to a global economic recession? (2) While the originating place of Covid-19 was China, why do you think Western countries have experienced a sharper economic recession than China? (3) As per the definition(s) of recession that we discussed in Chapter 13, do you think Afghanistan is currently in a recession?

Exercises to solve: 13.2, 13.3

Unemployment and Fiscal Policy (Unit 14)

Discussion exercises: 14.7, 14.9

Exercises to solve: 14.3, 14.4, 14.8

IV. Monetary policy

Inflation, Unemployment, and Monetary Policy (Unit 15)

Discussion exercises: NA

Exercises to solve: NA

Assignment 3

In this assignment, you are required to download the economic data for a certain country (see below), generate graphs, explain the trends, and comment on the relationships that you see between the variables.

You are required to work on Exercise 13.4 How to use FRED (Links to an external site.) and on Exercise 13.7 (Links to an external site.). Please carefully read the two exercises, follow their instructions, copy the graphs/charts that you have produced in a Word document, and answer the questions in the two exercises in the document.

The structure of your assignment/answers should follow the questions in Exercises 13.4 and 13.7.

In the FRED database, the time coverage may vary from one country to another. For instance, country A may have data starting in 1950 while country B may have data since 1975 only. So you may use the same time coverage that is available for your selected country. But if the data coverage starts earlier than 1960 for your selected country, please restrict the starting period to 1960.

Each student must work on the country that is assigned to them.

Quiz 3 (12 multiple answers and multiple choice questions)
