Course Profile

Economics 201          Fall 2011

Teaching faculty:
(alphabetically arranged)

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I. A novel approach:

The American University in Cairo has a long history. It was established in 1919 and
soon in 2019 it will celebrate its centenary (hundredth anniversary). Yes, a long history,
but at the same time it is well to put on record that one of the basic tenets of this
university is cognizance of the fact that we live in a changing world. If so, then we have
to operate constantly in a dynamic sense. Dynamic means that we have to innovate all
the time.

One such innovation is the way Econ 201 will be taught this year in AUC. The
Economics Department (established in 1947) is embarking on this venture in the full
realization that Econ 201 is the foundation block of all economics courses. With this
underlying principle in mind a new approach is being developed wherein all the talents
are combined to ensure a rich outcome for the benefit of the students. It is these students
who represent the new generation that will one day be at the forefront, as leaders. The
talents of an older generation are combined with those of the younger generation
considering that no one individual has a monopoly of knowledge. It is the exchange of
ideas, scientific argumentation, and detached analysis of phenomena that would
eventually lead to sober and healthy outcome

If such an approach is now taken by the four teaching faculty members, the quid pro quo
of this is to have on the other side (the student side) students who are serious, hard
working, responsible, and possessing a searching mind. The outcome will never be
determined by the abilities of one side only – it has to be the result of the interaction of
the two sides. Failing that, the challenges will crumble. It behooves the students,
therefore, to recognize their responsibilities and to genuinely act as partners in an
interactive sense.
We are determined to make this new venture a success. But the point bears repeating—it will only be so if both sides are up to the challenge. Let us all remember that Knowledge is the noblest of all treasures: it can never be stolen, given away or consumed.

II. Course description:

This course is usually looked upon as introduction to macroeconomics. Yes it is. But is more than that. Its core is macroeconomics, but you will also be introduced to other sub-disciplines of economics: the micro side, the monetary side, the banking side, the international side and the developmental side. Let us say that some of you will be majoring in Engineering, political science, comparative literature, etc., and this is the only course you would have had in Economics. Rest assured you will be able to read the Economist Magazine, the Financial Times, and engage in economic discussions. If on the other hand you pursue additional courses in Economics you would have had a truly solid background.

III. Learning Resources

Main Textbook: Samuelson and Nordhaus, Economics, 19th edition. Supplementary readings will be assigned.

IV. Course content, as per Samuelson

Chapter 1. Central concepts of Economics
Chapter 2. The Modern Mixed economy
Chapter 3. Basic elements of supply and demand
Chapter 19. Overview of Macroeconomics
Chapter 20. Measuring Economic Activity
Chapter 21. Consumption and Investment
Chapter 22. Business cycles and aggregate demand
Chapter 23. Money and the Financial System
Chapter 24. Monetary policy and the Economy
Chapter 25. Economic Growth
Chapter 18. International Trade
Chapter 27. Exchange rates and the international financial system
Chapter 28. Open economy macroeconomics
Chapter 29. Unemployment and foundations of aggregate supply
Chapter 30. Inflation
Chapter 31. Frontiers of macroeconomics
Chapter 26. The challenge of Economic Development.
V. Exams

There shall be two exams and a final. Exams will be announced one week in advance. There shall be several assignments. The grading system will embrace ability to express oneself, logical reasoning, class participation, and regular attendance.