Department of Economics

Chairperson: Neaime, Simon E.
Professor: Makdisi, Samir A.
Associate Professor: Neaime, Simon E.
Assistant Professors: Aintablian, Sebouh O.; Bardakci, Yasemin M.; Hammami, Salwa M.; Kabbani, Nader S.; Maktanner, Marcus O.; Mora, Nada N.; Seghir, Abdel Karim M.
Senior Lecturer: Sirhan, Ghazi A.
Lecturers: Chaaban, Jad M.; Ramadan, Usamah H.; Sadaka, Richard A.; Ajram, Rafael M.; Dabbous, Amal M.; El-Kadi, Rima M.; Jibai, Rania A.; Kanaan, Maya Z.; Kouly, Sandra S.; Mecherkany, Rami R.; Mourdaa, Rola I.; Samha, Rana M.; Tabsh, Hala M.; Turk, Diala S.; Shamseddin, Wissam A.; Yaghi, Nadine G.

Undergraduate Program

Students wishing to major in economics are accepted as provisional majors in the sophomore year until they pass ECON 211, ECON 212, and ENGL 203 with a minimum grade of 70 in each. In addition to these courses they must obtain a cumulative average of at least 70 in MATH 201 and MATH 202. Economics majors are expected to take ECON 213 during their sophomore year and ECON 214 during their junior year. They must also complete CMPS 209, or its equivalent, MATH 218 or MATH 219, and ACCT 210. Holders of the Lebanese Baccalaureate Philo must complete MATH 101 and MATH 102 before MATH 201.

The program for a BA in economics, which consists of 36 credits of economics courses numbered 210 or above, includes ECON 211, ECON 212, ECON 213, ECON 214, ECON 217, and ECON 227. Students majoring in economics must obtain a grade of at least 70 in each of ECON 211, ECON 212, ECON 213, ECON 214, ECON 217, and ECON 227.

The minor program in economics requires 18 credits: ECON 211, ECON 212, and ECON 214, plus three electives chosen from available economics offerings provided their prerequisites (or equivalent) have been satisfied.

Transfers from other programs to a major in economics require a cumulative average of 70 or more; a minimum grade of 70 in each of ECON 211, ECON 212, and ENGL 203; and a minimum cumulative average of 70 in MATH 201 and MATH 202.

**ECON 103  Introduction to Economics  3.0; 3 cr.**
An introductory survey of the principles of microeconomics and macroeconomics, designed primarily for freshman students. Each semester.

**ECON 203  Survey of Economics  3.0; 3 cr.**
Elementary principles of microeconomics and macroeconomics and applications. No credit is given for students majoring in economics. Students cannot receive credit for both ECON 203 and ECON 211–ECON 212. Each semester.
ECON 211  Elementary Microeconomic Theory 3.0; 3 cr.
General principles of microeconomics; includes elements of supply and demand, consumer behavior, costs, market structures, and income distribution. Students cannot receive credit for both ECON 203 and ECON 211. Each semester.

ECON 212  Elementary Macroeconomic Theory 3.0; 3 cr.
General principles of macroeconomics; aggregate supply and demand framework is used to analyze overall movements in prices and national output, inflation and unemployment, and monetary and fiscal policies. Students cannot receive credit for both ECON 203 and ECON 212. Each semester.

ECON 213  Economic Statistics I 3.0; 3 cr.
Measures of dispersion; elements of probability theory; sampling, sampling distribution, estimation and hypothesis testing, and simple regression. Students cannot receive credit for more than one of the following: ECON 213, MATH 207, EDUC 227. Prerequisite: MATH 203 for business and MATH 102 for economics. Each semester.

ECON 214  Economic Statistics and Econometrics 3.0; 3 cr.
Classical linear regression model and the multiple regression model in matrix form; the criteria for estimators; multicollinearity, serial correlation, heteroskedasticity; identification and estimation of simultaneous equation models and applications. Prerequisite: 70 or more in ECON 211, ECON 212, ECON 213; MATH 201. Each semester.

ECON 215  Applied Econometrics 3.0; 3 cr.
A comprehensive treatment of econometric techniques applied in time series models, stationary time series models, modeling economic time series; multi-equation time series models; cointegration; and applications. Prerequisite: ECON 214. Annually.

ECON 217  Intermediate Price Theory 3.0; 3 cr.
Theory of allocation of resources; consumers’ choice and classical demand theory, exchange and welfare; theory of production and cost; price and output determination under alternative market structures; game theory and applications to oligopoly. Prerequisites: 70 or more in ECON 211 and MATH 201. Each semester.

ECON 218  Income Distribution and Welfare Economics 3.0; 3 cr.
Factor markets and theories of income distribution, general equilibrium and input-output analysis, welfare economics. Prerequisite: 70 or more in ECON 217. Annually.

ECON 219  Economics of Financial Markets 3.0; 3 cr.
A survey of capital markets and asset pricing models; determination of the links between financial markets, monetary policy, and economic growth. Prerequisites: ECON 214 and ECON 227. Annually.

ECON 221  History of Economic Doctrines 3.0; 3 cr.
A survey of the history of economic thought, both theory and policy, with an emphasis on contemporary economic thought. Prerequisites: 70 or more in ECON 217 and ECON 227, or consent of instructor. Annually.

ECON 222  Labor Economics 3.0; 3 cr.
A survey of the demand for and supply of labor, investment in human capital, market structure and efficiency of labor markets, collective bargaining, income distribution, and unemployment. Prerequisite: 70 or more in ECON 217. Annually.
ECON 223/224  Economics of the Middle East  3.0; 3 cr.
A study of the resource endowment of the Arab Middle Eastern economies; their development experience, and the general outlook for growth and development.  Prerequisites:  70 or more in ECON 211 and 212.  Occasionally.

ECON 226  Intermediate Public Finance  3.0; 3 cr.
A study of public expenditures, public revenues, and public debts, principles of equity in the distribution of the tax burden.  Prerequisite:  70 or more in ECON 217.  Annually.

ECON 227  Intermediate Macroeconomics  3.0; 3 cr.
A study of the aggregate approach to economics, including the determination of output, employment, the rise of interest rates, and the price level.  Inflation and stabilization policies, budget deficits and the national debt, business cycles, theories of consumption, and investment behavior.  Prerequisites:  70 or more in ECON 211 and 212; MATH 201 and 202.  Each semester.

ECON 228  Intermediate Monetary Economics  3.0; 3 cr.
Central banking and instruments of monetary management, alternative theories of the demand for money, the balance of payments and the processes of its adjustment.  Prerequisite: 70 or more in ECON 227.  Annually.

ECON 230  Economic History  3.0; 3 cr.
Economic development of Europe and other areas up to 1914, with special emphasis on a number of distinct problems in different countries and historical periods.  Prerequisites:  70 or more in ECON 211 and ECON 212.  Occasionally.

ECON 232  Economic Policy in Developing Countries  3.0; 3 cr.
Economic policy in developing countries in the context of globalization, policy challenges facing developing countries, impact of regional blocs, and requirements for successful integration into the world economy.  Prerequisite:  70 or more in ECON 227.  Occasionally.

ECON 235  Intermediate International Trade Theory  3.0; 3 cr.
Classical trade model, the Heckscher-Ohlin theorem and subsequent theoretical developments, tariffs, domestic distortions, customs union, trade, and economic growth.  Prerequisite:  70 or more in ECON 217.  Annually.

ECON 236  Intermediate International Economic Policy  3.0; 3 cr.
Systematic analysis of policies in an open economy, the balance of payments, foreign exchange markets and adjustment under different exchange rate standards; basic policy issues in trade and development.  Prerequisites:  70 or more in ECON 217 and ECON 227.  Annually.

ECON 237  Economic Development I  3.0; 3 cr.
Introduction to development economics; topical issues in development, market-oriented reforms, impact of globalization, urbanization, and agricultural development; recent experiences in developing countries.  Prerequisite:  ECON 217 or ECON 227.  Annually.

ECON 239  Introduction to Mathematical Economics  3.0; 3 cr.
Optimization problems, dynamic analysis, difference and differential equations, linear and nonlinear programming; dynamic programming and game theory with economic applications.  Prerequisites:  70 or more in ECON 217; MATH 201.  Annually.

ECON 240  Economic Development II  3.0; 3 cr.
Models of economic development and growth; macroeconomic planning; policy formulation and implementation in developing countries.  Prerequisite:  ECON 227.  Annually.
ECON 241  Industrial Organization and Public Policy  3.0; 3 cr.
Application of microeconomics; analysis of factors affecting market structure, conduct and
firm behavior in imperfectly competitive industries; survey of theories relating to intensity of
competition and maintenance of market dominance; rationale for antitrust laws. Prerequisite:
70 or more in ECON 217. Annually.

ECON 242  The Economics of Petroleum  3.0; 3 cr.
An analysis of the factors determining the production and pricing of oil with reference to
the Arab oil countries, the world oil market, and the role of OPEC. Prerequisites: ECON 211,
ECON 212, and ECON 217. Occasionally.

ECON 243  Introduction to Game Theory and Economic Behavior  3.0; 3 cr.
Basic concepts and methods of game theory with applications to economic problems, Nash
equilibrium, mixed strategies, zero sum games, repeated games. Prerequisites: ECON 217 and
MATH 201. Annually.

ECON 295/296  Senior Seminars in Economics  3.0; 3 cr.
ECON 297  Senior Research Seminar  3.0; 3 cr.

36 Credits in Economics (18 + 18)

<table>
<thead>
<tr>
<th>Modes of Analysis</th>
<th>English and Arabic (9)</th>
<th>Humanities (12)</th>
<th>Economics and Social Sciences (18+18+3)</th>
<th>Sciences, Math, and Technology (12)</th>
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| Lecture courses (9+12+18+18 +3+12) | 1. Required Arabic course: ARAB 201A or B, or any upper level course (3)  
2. Required English courses: ENGL 203 (3), 204 (3) | Required credits in the humanities: 12 credits including 6 credits from CVSP (see pp. 163–65) | 1. Required economics courses (18): ECON 211(3), 212(3), 213(3), 214(3)  
213(3), 217(3) [211, 212], 227(3) [211, 212]  
2. Six elective economics courses from the following and/or seminar courses (18): ECON 215(3) [214], 218(3), 219(3), 221(3), 222(3), 223(3), 224(3), 226(3) [217], 228(3)  
[227], 230(3), 232(3), 235(3) [217], 236(3)  
[227], 237(3), 239(3), 240(3), 241(3), 242(3), and 243(3)  
3. Required business course (3): ACCT 210(3) | Required mathematics courses: MATH 201(3), 202(3) [201], 218(3) or 219(3) and CMPS 209(3) |

Seminar

Laboratory (0)

Research project (0)

P Prerequisite

THE REQUIREMENTS LISTED ABOVE APPLY TO STUDENTS WHO JOINED THEIR MAJOR AS OF OCTOBER 1, 2001–02. STUDENTS WHO JOINED A MAJOR PRIOR TO THAT DATE SHOULD CONSULT THE 2000–01 CATALOGUE.
Graduate Program

The department offers two master’s degree programs: a master of arts in economics and a master of arts in financial economics.

Candidates for both master’s degrees should hold a BA in economics. For holders of other bachelor’s degrees (or their equivalent), candidates should complete the following undergraduate courses or their equivalent with a grade of at least 70: ECON 211, ECON 212, ECON 213, ECON 214, ECON 217, ECON 227, CMPS 209, MATH 201, and MATH 202.

Master of Arts in Economics

Students wishing to obtain a master of arts in economics are required to complete at least 24 credits, of which at least 21 credits should be graduate level courses, including ECON 305, ECON 317, and ECON 327, plus a thesis. In case of deficiencies in the student’s undergraduate record, the department may require additional credits.

- **ECON 301/302** Graduate Tutorial 3.0; 3 cr. (each) Occasionally.
- **ECON 303/304** Graduate Seminar 3.0; 3 cr. (each) Occasionally.
- **ECON 305** Econometrics I 3.0; 3 cr. Simultaneous equation models, time series analysis in the time and frequency domains. Annually.
- **ECON 306** Econometrics II 3.0; 3 cr. Non-linear regression, vector autoregression, simulation and varying parameter models. Prerequisite: ECON 305. Occasionally.
- **ECON 307** Urban Economics 3.0; 3 cr. A study of the development and growth of urban areas and analysis of specific urban issues such as pollution, housing, land use, and public transportation. Occasionally.
- **ECON 317** Price Theory I 3.0; 3 cr. Theory of demand and theory of consumer’s choice: choice under uncertainty, theory of production and theory of costs, market equilibrium and market failure, externalities and the public good. Annually.
- **ECON 318** Price Theory II 3.0; 3 cr. Income distribution concepts, alternative theories of distribution and capital controversy, general equilibrium analysis, and welfare economics. Occasionally.
- **ECON 326** Public Finance 3.0; 3 cr. A study of the theories of governmental taxation and spending, budgetary policies and their effects on the level of economic activity, welfare effects of taxation and expenditure policies. Occasionally.
- **ECON 327** Macroeconomics 3.0; 3 cr. A study of macroeconomic theory including the classical, Keynesian and Post-Keynesian macroeconomic systems, a static analysis of the structure of income determination models, theories of consumption and investment, dynamic analysis of business cycles and economic growth, theories of inflation and stabilization policies, macrodynamic models. Annually.
ECON 328  Monetary Economics  3.0; 3 cr.
A survey of the evolution of monetary theory; an examination of alternative formulations of the demand and supply functions of money; selected topics in monetary policy; business cycles; portfolio models.  Annually.

ECON 332  Political Economy  3.0; 3 cr.
Determinations of the size and form of distributive programs; the extent and type of public goods provision; the burden of taxation across alternative tax bases.  Occasionally.

ECON 335  International Trade Theory  3.0; 3 cr.
An intensive examination of the theory of comparative advantage: the classical and Heckscher-Ohlin statements, trade and welfare, tariffs, recent contributions to trade theory.  Occasionally.

ECON 336  International Monetary Economics  3.0; 3 cr.
An intensive examination of the theories of balance of payments adjustment; the international monetary system and the position of the developing countries in it.  Annually.

ECON 337  Economic Development  3.0; 3 cr.
An examination of the major economic and non-economic determinants of development in developing countries, theories and models of development.  Annually.

ECON 338  Economics of Natural Resources and the Environment  3.0; 3 cr.
An analysis of economic issues regarding the efficient use of natural resources and the management of environmental quality.  Occasionally.

ECON 339  Topics in Mathematical Economics  3.0; 3 cr.
Prerequisites: ECON 239 and MATH 218 or MATH 219.  Occasionally.

ECON 399  MA Thesis  6 cr.

Master of Arts in Financial Economics

This is a new master’s program effective October 2001. It comprises 33 credits of course work (11 three-credit courses) plus a project: nine required and two electives. Candidates for the master’s degree should hold a BA in economics. For holders of other bachelor’s degrees (or their equivalent), candidates should complete the following undergraduate courses or their equivalent: ECON 211, ECON 212, ECON 213, ECON 214, ECON 217 and ECON 227, CMPS 209, MATH 201 and MATH 202 or their equivalent.

All majors in the program are required to take the following nine courses:

ECON 305  Econometrics I  3.0; 3 cr.
Simultaneous equation models, time series analysis in the time and frequency domains.  Annually.

ECON 327  Macroeconomics  3.0; 3 cr.
A study of macroeconomic theory including the classical, Keynesian, and Post-Keynesian macroeconomic systems, a static analysis of the structure of income determination models, theories of consumption and investment, dynamic analysis of business cycles and economic growth, theories of inflation and stabilization policies, macro dynamic models.  Annually.
ECON 328  Monetary Economics 3.0; 3 cr.
A survey of the evolution of monetary theory; an examination of alternative formulation of
the demand and supply functions of money; selected topics in monetary policy; portfolio
models. Annually.

ECON 336  International Monetary Economics 3.0; 3 cr.
An intensive examination of the theories of balance of payments adjustment; the international
monetary system and the position of the developing countries in it. Annually.

ECON 340  Financial Economics I 3.0; 3 cr.
A review of the major theoretical themes underlying modern financial economics; functions
of financial markets and institutions, portfolio selection, the Capital Asset Pricing Model, and
financial decision making under uncertainty. Annually.

ECON 341  Financial Economics II 3.0; 3 cr.
An analysis of the theoretical and empirical issues concerning corporate capital structure
relevance for firms in developed and less developed capital markets, and a review of the
informational efficiency of capital markets. Annually.

ECON 342  Options and Derivatives Instruments 3.0; 3 cr.
An analysis of basic derivative contracts such as forwards, futures, options, and swaps; contract
characteristics, payoffs from various strategies, as well as hedging arbitrage, and speculation
activities using derivatives are analyzed. Annually.

ECON 343  Econometrics of Financial Markets 3.0; 3 cr.
A course that covers topics in applied financial time-series and cross-section methods; the
econometric methods used include linear time series models, properties of financial data, and
discrete time linear financial models. Prerequisite: ECON 305. Annually.

ECON 344  Financial Markets and Institutions 3.0; 3 cr.
An analysis of the institutional features of the international financial markets, instruments and
application of financial economic theory, and analytical tools to achieve effective and efficient
risk management in international environments. Annually.

Electives (two courses: 6 credits)
Two elective courses are chosen from the following list in consultation with the faculty adviser.
Other electives may alternatively be chosen from available university courses with the adviser’s
approval.

ECON 345  International and Arab Emerging Financial Markets 3.0; 3 cr.
Case studies and exercises of portfolio selection and management in selected Middle Eastern
countries. Annually.

ECON 346  Advanced Futures and Options 3.0; 3 cr.
An analysis of pricing in continuous-time of contingent claims securities and a broad category
of derivative instruments and investment strategies. Prerequisite: ECON 342. Occasionally.

ECON 347  Economic Forecasting 3.0; 3 cr.
A course that provides training in methods of forecasting used in commercial enterprises. This
course also introduces the methods of macroeconomic forecasting. Occasionally.
ECON 348  Advanced Monetary Economics 3.0; 3 cr.
An examination of recent monetary economic developments intended to equip students with the technical details and the working of monetary economic models. Prerequisite: ECON 328. Occasionally.

ECON 349  Advanced Microeconomics 3.0; 3 cr.
A course that provides a solid understanding of microeconomic analysis and its application to monetary and financial issues. Occasionally.

ECON 350  Advanced Macroeconomics 3.0; 3 cr.
An introduction to some important current topics in macroeconomics and the technical tools used in their discussion. Occasionally.

ECON 351  Development Finance 3.0; 3 cr.
A course that provides training in the economic underpinnings of the financial issues that affect developing countries. Occasionally.

ECON 352  Advanced Financial Econometrics 3.0; 3 cr.
Inference in linear time series models, properties of high frequency data, inference in discrete time non-linear models and estimation in the context of empirical densities of stock prices, ARCH models for stock prices, and continuous time derivative pricing models. Occasionally.

ECON 353  Bank Management 3.0; 3 cr.
Discusses key issues in commercial banking activities and management. It provides the analytic tools related to commercial bank management (financial and organizational). Occasionally.

ECON 354  Credit Analysis 3.0; 3 cr.
Analyzes the evolution of credit analysis techniques and tools. Even though international trends are discussed, the Lebanese context remains in focus. Occasionally.

ECON 355  Corporate Finance 3.0; 3 cr.
Focuses on large corporate investment decisions and on designing, analyzing, and managing the elements of a comprehensive financial strategy. It provides a sophisticated theoretical and empirical overview of major topics in corporate finance. Occasionally.

ECON 356  Special Topics in Financial Economics
May be repeated for credit. Occasionally.

ECON 357  Special Topics in Monetary Economics
May be repeated for credit. Occasionally.

ECON 398  Project
Transfers between the Two Programs

Students wishing to transfer from one program to another can do so after departmental approval and can be given credit for courses already passed that fall within the requirements of the other program.

Transfers between the two programs are permitted subject to the following:

- Students enrolled in the MAE program who wish to transfer to the MAFE program are given credit for ECON 305 and ECON 328 if completed prior to the transfer. Both courses are required under the MAFE program.

- Credit may be given for two other graduate courses completed under the MAE program, which may be considered as elective courses allowed under the MAFE program.

With the above courses completed this leaves 21 credits of additional required course work (plus the project) to be completed to graduate with an MAFE. Any incomplete courses among the above-mentioned need to be fulfilled. The remaining elective course(s) are chosen in consultation with the student adviser.

- Students enrolled in the MAFE program who wish to transfer to the MAE program have to complete ECON 317 and ECON 327. ECON 305 and ECON 328: if completed prior to the transfer, these classes constitute part of the course requirements toward the MAE. With the completion of these four courses, the transferring student needs to complete an additional 12 credits of course work chosen from the course offerings under the MAE program, plus the thesis.

If neither ECON 305 nor ECON 328 has been completed under the MAFE program prior to the transfer then, in addition to ECON 317 and ECON 327, another 18 credits of course work chosen from courses under the MAE program must be completed, for a total of 24 credits plus a thesis. In case either ECON 305 or ECON 328 is completed prior to the transfer, then in addition to ECON 317 and ECON 327, an additional 21 credits are required for a total of 24 credits plus a thesis.