Department of Economics

Chairperson:	Altug, Sumru Guler
Professor Emeritus:	Makdisi, Samir
Professor:	Neaime, Simon
Associate Professors:	Dagher Leila N.; Salti, Nisreen I.
Assistant Professors:	Abboud, Ali; Tuncay, Muhammed Alparslan; Yamout, Nadine
Lecturers:	Bou Nassar, Makram; Ramadan, Usamah H.
Instructors:	El Baba, Nora; El-Khalil, Iyad A.; Hamdan, Dana; Hamadeh, Hiba; Kanaan, Maya Z.; Makki, Ghina; Makki, Malak, Z.; Nader, Pamela; Rebeiz, Sylvia; Sabra, Raja; Siblini, Farah

The department offers two master's degree programs, which include 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: ECON 214, ECON 217, ECON 227, MATH 201 and MATH 202. Moreover, all applicants must submit an official GRE or GMAT score with the application.[1]

MA in Economics

Students wishing to obtain a Master of Arts in Economics are required to complete at least 24 credits, all of which should be at the graduate level, including ECON 305, ECON 317 and ECON 327, plus a 6-credit thesis. Of the remaining 15 graduate credits, at least 9 credits should be chosen from the available graduate courses in the department, and up to 6 credits may be chosen from available graduate courses at the university with the advisor's approval. In case of deficiencies in the student's undergraduate record, the department may require additional credits. Students are also required to pass the comprehensive exam.

Faculty in the Department have a wide range of research interests covering, among others, labor economics, theory-based and applied macroeconomics, financial economics, behavioral economics and economic methodology, public economics and the political economy of development.

ECON 301 Graduate Tutorial 3.0; 3 cr.
May not be repeated for credit. Occasionally.

ECON 303 Graduate Seminar 3.0; 3 cr. (each)
Occasionally.

ECON 305   Econometrics I   3.0; 3 cr.
Parameter estimation and hypothesis testing within the framework of the classical linear regression model. Subjects covered include general least squares and its applications (e.g. heteroskedasticity, autocorrelation, multivariate regression), GMM estimation, simultaneous equation models and panel data models. *Annually.*

ECON 306   Econometrics II   3.0; 3 cr.
Dynamic models, structural VARs (impulse response, variance decomposition), cointegration and error correction models, ARCH models, and forecasting methods. The course has a strong empirical component. *Prerequisite: ECON 305. Annually.*

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   Microeconomic 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   Topics in Behavioral Economics   3.0; 3 cr.
An introduction to behavioral and experimental methods; description of evidence collected in the laboratory and in the field; a comparison of the assumptions and predictions of the benchmark neoclassical model to the more recent and complex behavioral models. One of the following three areas will be covered: behavioral finance, behavioral game theory, or experimental markets. *Occasionally*

ECON 326   Public Economics   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 and New Keynesian macroeconomic models, theories of intertemporal consumption and saving, investment dynamics, business cycle analysis and economic growth, inflation and unemployment trade-offs, monetary and fiscal policy, and macroeconomic stabilization. *Annually.*

ECON 328   Monetary Economics   3.0; 3 cr.
This is an advanced course on monetary economics based on a general equilibrium approach. Topics include models of money demand such as money-in-the-utility function and cash-in-advance models, New Keynesian monetary economics, and public finance and inflation. *Annually.*

ECON 332   Political Economy of Development   3.0; 3 cr.
Studies the role of factors such as geography, historical path dependence, institutions and culture in determining economic growth; introduces the basic tools of political economics; studies models of governance and mis-governance and the role of institutional failure; examines empirical issues in validating the effect of institutions and culture on economic outcomes. *Occasionally.*

ECON 333   **Energy Economics and Policy**   **3.0; 3 cr.**
A study of the theories related to energy economics, such as economics of natural and energy resources, and the interrelationship between energy, economics and the environment, as well as some important issues in energy policy. *Students cannot receive credit for both ECON 333 and MECH 674. 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. *Occasionally.*

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   **Mathematical Economics**   **3.0; 3 cr.**
General equilibrium theory, linear programming and dynamic optimization, economic dynamics, difference and differential equations, and the economics of uncertainty and information. *Prerequisites: ECON 239 and either MATH 218 or MATH 219. Occasionally.*

ECON 390   **Special Topics in Economics**   **3.0; 3 cr.**
May be repeated for credit. Occasionally.

ECON 395A   **Comprehensive Exam**   **0 cr.**
Prerequisite: Consent of advisor.

ECON 399   **Thesis**   **6 cr.**

MA in Financial Economics

Students wishing to obtain a Master of Arts in Financial Economics are required to complete at least 27 credits, all of which should be at the graduate level, plus a 3-credit project. The coursework includes eight required courses (listed below) and one elective. In case of deficiencies in the student's undergraduate record, the department may require additional credits. Students are also required to pass the comprehensive exam.

The research interests of the faculty include macro-finance, industrial organization, international economics, applied econometrics, financial economics, financial econometrics, macroeconomics, monetary economics, energy economics and time-series econometrics.

ECON 305   Econometrics I   3.0; 3 cr.
Parameter estimation and hypothesis testing within the framework of the classical linear regression model. Subjects covered include general least squares and its application (e.g. heteroskedasticity, autocorrelation, multivariate regression), GMM estimation, simultaneous equation models and panel data models. *Annually.*

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 327   Macroeconomics   3.0; 3 cr.
A study of macroeconomic theory including the classical and New Keynesian macroeconomic models, theories of intertemporal consumption and saving, investment dynamics, business cycle analysis and economic growth, inflation and unemployment trade-offs, monetary and fiscal policy, and macroeconomic stabilization. *Annually.*

ECON 328   Monetary Economics   3.0; 3 cr.
This is an advanced course on monetary economics based on a general equilibrium approach. Topics include models of money demand such as money-in-the-utility function and cash-in-advance models, New Keynesian monetary economics, and public finance and inflation. *Annually.*

ECON 340   Asset Pricing I   3.0; 3 cr.
A primer in asset pricing emphasizing the underlying economic theory and recent empirical results; surveys the major asset pricing theories, tools, and results and portfolio choice. The course presents a general framework for pricing (financial) assets, and the economic foundations for how individual preferences impact these prices. The course also covers the role of financial markets in sharing risk in the economy and presents recent empirical evidence on the determinants of asset returns. Topics include pricing of stocks and bonds, portfolio theory, and the operation and efficiency of financial markets. *Occasionally.*

ECON 341   Corporate Finance I   3.0; 3 cr.
This course provides strong foundations in the principles of corporate finance. Theoretical and empirical models dealing with economic aspects of corporate finance and the financial decisions of firms are examined. Topics covered include debt and equity financing, the bankruptcy process, the costs of financial distress, and firm

financing constraints and business cycles. *Occasionally.*

ECON 342   Asset Pricing II: 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 395A/   Comprehensive Exam   0 cr.
Prerequisite: Consent of advisor.

Electives (one course: 3 credits)

One elective course is chosen from the following list in consultation with the faculty advisor. Other electives may alternatively be chosen from available graduate courses at the university with the advisor's approval.

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. *Occasionally.*

ECON 344   Financial Markets and Institutions   3.0; 3 cr.
n 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. *Occasionally.*

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. *Occasionally.*

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 workings of monetary economic models. *Prerequisite: ECON 328. Occasionally.*

ECON 355 **Corporate Finance II** **3.0; 3 cr.**

This course selects topics in corporate finance. The financial landscape is rapidly evolving in the wake of the global financial crisis. Many of the themes of Corporate Finance II have special relevance today: the pros and cons of debt financing, the bankruptcy process, the costs of bankruptcy, and the role of private equity. Examining these issues will provide a holistic view of finance, capital markets, and the role of financial intermediaries.

ECON 356 **Special Topics in Financial Economics** **3.0; 3 cr.**

May be repeated for credit. Occasionally.

ECON 357 **Special Topics in Monetary Economics** **3.0; 3 cr.**

May be repeated for credit. Occasionally.

ECON 398 **Project** **3 cr.**

Transfers Between the Two Programs

Students wishing to transfer from one program to another can do so after obtaining 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, ECON 317, ECON 327 and ECON 328 if completed prior to the transfer. The four courses are required under the MAFE program.

Credit may be given for two other graduate courses completed under the MAE program.

With the above courses completed, this leaves 15 credits of additional required coursework (plus the project) to be completed to graduate with an MAFE. Any incomplete courses among the above-mentioned need to be completed. The remaining elective course(s) are chosen in consultation with the student advisor.

Students enrolled in the MAFE program who wish to transfer to the MAE program must complete ECON 317, ECON 327 and ECON 305. If completed prior to the transfer, these classes constitute part of the course requirements toward the MAE. With the completion of these three courses, the transferring student needs to complete an additional 15 credits of coursework, plus the thesis.