

## INTERMEDIATE MACROECONOMICS

<b>Course code</b>	<i>ECO129</i>
<b>Compulsory in the programmes</b>	<i>Economics, Economics and Politics</i>
<b>Level of studies</b>	<i>Undergraduate</i>
<b>Number of credits</b>	<i>6 ECTS (48 in-class hours + 2 consultation hours + 2 exam hours, 108 individual work hours)</i>
<b>Course coordinator (title and name)</b>	<i>Marius Kušlys</i>
<b>Prerequisites</b>	<i>Macroeconomics</i>
<b>Language of instruction</b>	<i>English</i>

### THE AIM OF THE COURSE:

This is a course in intermediate macroeconomics, designated for students with knowledge in basic economics. Its objective is to present theoretical knowledge and practical skills required for studying the overall economic development of a country. Students will know how to analyse the most important macroeconomic phenomena from different aspects, and the impact of governmental macroeconomic policies on participants in the economy.

### MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

<b>Course level learning outcomes (objectives)</b>	<b>Learning objectives for BSc in Social Science</b>	<b>Assessment methods</b>	<b>Teaching methods</b>
CLO1. Differentiate the main theories in macroeconomics	ELO1.1.	Midterm test, group project, final exam	Lectures, seminars, individual study, group study
CLO2. Discuss the main aspects of economic growth theories	ELO1.1.	Midterm test, final exam	Discuss the main aspects of economic growth theories
CLO3. Apply the statements of classical theory when analysing an economy in the long run	ELO1.2.	Midterm test, group project, final exam	Lectures, seminars, individual study, group study
CLO4. Graphically model macroeconomic situations using appropriate macroeconomic theories	ELO1.2.	Midterm test, final exam	Lectures, seminars, individual study
CLO5. Consider the effectiveness of economic policies in different environment	ELO1.1., ELO1.2.	Midterm test, group project, final exam	Lectures, seminars, individual study, group study
CLO6. Develop researching skills	ELO4.3.	Group project	Seminars, group study

### ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

### COURSE OUTLINE

Topic	In-class hours	Readings
<b>1. Introduction.</b> The science of macroeconomics, the data of macroeconomics.	4	[2] Ch. 1, 2
<b>2. The Solow Growth Model 1.</b> Introduction to economic growth, the dynamics of the model.	4	[1] Ch. 1.1-1.4 [2] Ch. 8, 9
<b>3. The Solow Growth Model 2.</b> Quantitative implications, empirical applications.	4	[1] Ch. 1.5-1.8 [2] Ch. 8, 9
<b>4. Endogenous Growth Model.</b> Introduction to the model, the nature of knowledge, the allocation of resources to R&D.	4	[1] Ch. 3.1-3.4 [2] Ch. 9
<b>5. Cross-Country Income Differences.</b> Extension of the Solow growth model, social infrastructure, empirical applications.	4	[1] Ch. 4 [2] Ch. 9
<b>MIDTERM EXAM.</b> <b>Consultation on group analysis paper.</b>	4	
<b>6. Introduction to Economic Fluctuations.</b> Introduction to business cycle theory, aggregate demand and supply.	4	[2] Ch. 10
<b>7. A Dynamic Model of Economic Fluctuations.</b> Dynamic AS-AD model, policy applications.	4	[2] Ch. 15
<b>8. Consumption and Investment.</b> Consumption function, intertemporal choice, life-cycle hypothesis, permanent-income hypothesis, random-walk hypothesis, the pull of instant gratification; the determinants of investment, the stock market and Tobin's q.	4	[2] Ch. 19 [1] Ch. 8, 9
<b>9. Unemployment.</b> Efficiency-wage model, the Shapiro-Stiglitz model.	4	[1] Ch. 11 [2] Ch. 7
<b>10. Monetary Policy.</b> Introduction to economic policy, optimal monetary policy model, the zero lower bound.	4	[1] Ch. 12 [2] Ch. 16, 18
<b>11. Fiscal Policy.</b> Ricardian equivalence, political-economy theories of budget deficits.	4	[1] Ch. 13 [2] Ch. 17
	<b>Total: 48 hours</b>	
CONSULTATIONS	2	
FINAL EXAM	2	

## FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components 25%</i>	
Group analysis paper	25
<i>Individual Components 75%</i>	
Midterm exam (topics 1-5)	35
Final exam (topics 6-11)	40
<b>Total:</b>	<b>100</b>

## DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

1. **Midterm and Final Exams.** The midterm examination counts for 35% and the final examination counts for 40% of the final grade. The exams will consist of problems that are based on the material presented in class and required readings related to the topics presented. The exams will cover all theoretical issues presented in this syllabus and discussed or presented in the practice sessions.
2. **Group analysis paper** counts for 25% of the final grade. Students work in groups of 2 students. The specific tasks will be presented during the first seminar.

Precision of composite evaluations is left intact (up to 2 decimal places) until the end of the course and only the final evaluation will be subject to rounding.

## RETAKE POLICY

Students who receive a failing final grade shall have the right to re-take the exams, which will comprise **75%** of the final grade and cover all topics of the course. Midterm exam and final exam results will be annulled

## REQUIRED READINGS

1. Romer, D. (2019). *Advanced Macroeconomics*. Boston: McGraw-Hill.
2. Mankiw, N. G. (2019). *Macroeconomics*. 10th edition. New York: Macmillan International.

## ADDITIONAL READINGS

3. Gillman, M. (2011). *Advanced modern macroeconomics: analysis and application.*: Financial Times Prentice Hall, 2011. 604 p. ISBN 9780273726524.
4. Scarth, W. (2014). *Macroeconomics: the development of modern methods for policy analysis*. Cheltenham : Edward Elgar.
5. Sørensen, P. B., & Whitta-Jacobsen, H. J. (2010). *Introducing advanced macroeconomics: Growth and business cycles*. London, Boston: McGraw-Hill.

## DEGREE LEVEL LEARNING OBJECTIVES

### Learning objectives for the Bachelor of Business Management

Programmes:

*International Business and Communication,  
Business Management and Marketing, Finance,  
Industrial Technology Management*

Learning Goals	Learning Objectives
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

### Learning objectives for the Bachelor of Social Science

Programmes:

*Economics and Data Analytics,  
Economics and Politics*

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper