MACROECONOMICS

Course code \hspace{3cm} ECO102
Course title \hspace{3cm} Macroeconomics
Type of course \hspace{3cm} Main
Study level \hspace{3cm} 1st
Department \hspace{3cm} Bachelor studies
Year of study \hspace{3cm} 2nd
Semester \hspace{3cm} Autumn
ECTS credits \hspace{3cm} 6: 24 hours of lectures, 24 hours of seminars, 96 hours of self-study
Lecturer \hspace{3cm} Dr. Jurgita Staniulyte
Study form \hspace{3cm} Full-time
Prerequisites \hspace{3cm} Microeconomics
Language \hspace{3cm} English

Annotation

The course covers all basic objectives of macroeconomics. Students will learn about the main economic indicators, goods, financial and labour markets, aggregate demand and supply, economic growth, open economy, financial and monetary policies. Besides theories, various real economic problems in various countries will be discussed and analyzed during the lectures and seminars.

Aim of the course

It is an intermediate level course, designed for students with some basic knowledge in macroeconomics. The main objective is to become familiar with the most relevant theories and to provide some practical skills required to understand the structure of a country. Students will be able to analyze the most important macroeconomic phenomena and the impacts of public policies on the aggregate economy.

<table>
<thead>
<tr>
<th>Subject Learning Outcome (SLO)</th>
<th>Study methods</th>
<th>Assessment methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLO1. Understand the main theories in macroeconomics</td>
<td>Lectures, seminars, individual study</td>
<td>Midterm test, final exam</td>
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<tr>
<td>SLO2. Analyze and model macroeconomic phenomena</td>
<td>Lectures, seminars, individual study</td>
<td>Midterm test, final exam, group and individual tasks</td>
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<tr>
<td>SLO3. Evaluate fiscal and monetary policy</td>
<td>Lectures, seminars, individual study</td>
<td>Midterm test, final exam, group and individual tasks</td>
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<tr>
<td>SLO4. Graphically model macroeconomic situations</td>
<td>Lectures, seminars, individual study</td>
<td>Midterm test, final exam, group and individual tasks</td>
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<tr>
<td>SLO5. Relate real economic experiences to theory</td>
<td>Lectures, seminars, individual study</td>
<td>Midterm test, final exam, group and individual tasks</td>
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<tr>
<td>SLO6. Identify economic situations at the national and global level</td>
<td>Lectures, seminars, individual study</td>
<td>Midterm test, final exam, group and individual tasks</td>
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<tr>
<td>SLO7. Develop research skills</td>
<td>Seminars, group and individual study</td>
<td>Group and individual tasks</td>
</tr>
</tbody>
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Teaching and learning methods

The course is organized as a combination of lectures, practical problem solving tasks, individual student and team activities in analyzing various macroeconomic situations of various countries.

Course contents

<table>
<thead>
<tr>
<th>Week Number</th>
<th>Topics</th>
<th>In-class hours</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Theory</td>
<td>Practice</td>
</tr>
</tbody>
</table>
| 1.          | Chapter 1: A tour of the world  
Chapter 2: A tour of the book | 2 | 2 | Ch. 1 & 2 |
| 2.          | The short run  
Chapter 3: The goods markets  
Chapter 4: The financial markets I | 2 | 2 | Ch. 3 & 4 |
Chapter 6: Financial markets II | 2 | 2 | Ch. 5 & 6 |
| 4.          | The medium run  
Chapter 7: The labour market  
Chapter 8: The Philips curve, the natural rate of unemployment and inflation | 2 | 2 | Ch. 7 & 8 |
| 5.          | Chapter 9: Putting all markets together: from the short to the medium run | 2 | 2 | Ch. 9 |
| 6.          | Review session for midterm exam | 2 | 2 | |
| 7.          | Midterm exam | | | |
| 8.          | The long run  
Chapter 10: The facts of growth  
Chapter 12: Technological progress and growth | 2 | 2 | Ch. 10 & 12 |
| 9.          | Expectations  
Chapter 16: Expectations, output and policy  
The open economy  
Chapter 20: Exchange rate regimes | 2 | 2 | Ch. 16 & 20 |
| 10.         | Back to policy  
Chapter 21: Should policy makers be restrained?  
Chapter 22: Fiscal policy: a summing up | 2 | 2 | Ch. 21 & 22 |
| 11.         | Chapter 23: Monetary policy: a summing up  
Chapter 24: The story of macroeconomics | 2 | 2 | Ch. 23 & 24 |
| 12.         | Review session for final exam | 2 | 2 | |
|             | Total Hours: | 24 | 24 | |

Assessment methods

<table>
<thead>
<tr>
<th>Type</th>
<th>Self-study hours</th>
<th>Final grade, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm exam</td>
<td>45</td>
<td>40</td>
</tr>
<tr>
<td>Final exam</td>
<td>45</td>
<td>40</td>
</tr>
<tr>
<td>In-class contribution</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Total:</td>
<td>112</td>
<td>100</td>
</tr>
</tbody>
</table>
Course requirements

1. **The midterm and final exam** will count for 40% each. The exams may consist of multiple-choice and essay questions that will be based on the material presented in classes, seminars and required readings.

2. **In-class contribution** will count for 20% of the final grade. It includes participation in discussions on the topic of the lecture, participation in a group and individual problem solving task, preparation to discuss examples from current news related to the topic of the class etc. **Therefore, YOU MUST READ RELEVANT CHAPTERS BEFORE COMING TO THE CLASS AND BE PREPARED TO DISCUSS VARIOUS QUESTIONS RELATED TO THE TOPIC.**

3. **Re-take of the exam.** Students who receive a failing final grade will have the right to re-take the exam. It will count for 80% of the final grade and will cover content of the entire course.

Required readings

ISBN: 9781292085678 *(the main textbook)*

And

The Economist (available at ISM library)

You may also use the following two books to prepare for lectures and exams:
