ADVANCED MACROECONOMICS

Course code	*GRAE007*
Course title	*Advanced macroeconomics*
Type of course	*Compulsory*
Level of course	*Advanced*
Department in charge	*Graduate school*
Year of study	*1st*
Semester	*2nd*
Number of credits	*6 ECTS; 36 hours of class work, 124 hours of self-study, 2 hours of consultations (distant or direct form)*
Lecturer	*Assoc. Prof. Dr. Nerijus Mačiulis*
Course prerequisites	*Macroeconomics*
Form of studies	*Consecutive (evening)*
Teaching language	*English*

Objective of the course

This is applied course in macroeconomics, which focuses on contemporary issues and developments in global economy. The main aim of this course is to understand how to pick and analyse myriad factors affecting economic growth, both in short and long term. Another important dimension of this course is the reflexivity between economic growth, developments in financial markets and economic policy.

Learning outcomes

On completion of this course successful students will be able to:

Course learning outcomes (CLO)	Study methods	Assessment methods
CLO1. Be able to indentify leading indicators of most macroeconomic variables	Lectures, discussion, individual presentation and report	Individual presentation and exam
CLO2. Understand the structure, dynamics and challenges of Lithuanian economy	Lectures, discussion, individual presentation, report	Individual presentation and exam
CLO3. Understand main factors behind different economic growth rates across the world and how governments can influence growth	Lectures, discussion, individual presentation and report	Individual presentation and exam
CLO4. Understand relationship between macroeconomic variables and financial markets	Lectures, discussion, individual presentation and report	Individual presentation and exam

Quality Assurance Measures

The lecturer will apply multiple interactive teaching methods to keep the students engaged in the topic (discussions, individual presentations and reports). Continuous student feedback will be encouraged and accommodated to continuously improve class experience.

COURSE CONTENT:

Date	Class	Topic
2019-04-03	1	**Introduction to the course. Analysing economic data. How to lie with statistics? Contemporary issues in the global economy. From global financial crisis to euro zone debt crisis to emerging market crisis to...**
2019-04-10	2	**Contemporary issues in the global economy (continued). Unconventional monetary policy. Fiscal austerity versus economic stimulus. Modern monetary theory**
2019-04-17	3	**Contemporary issues in the global economy (continued). China's role in the global economy. Sustainability of oil demand and supply. Forecasting oil price.**
2019-04-24	4	**Economic recessions and financial crises: reflexive relationship. Cryprocurrencies – assets, currencies or something else? Where might the next global crisis come from?**
		Student presentations: 1. Nowcasting GDP and alternatives to GDP 2. Factors of government borrowing costs. Can MMT proponents be right?
2019-04-29	5	**Comparative analysis of Baltic economies: before and after the crisis. How to measure maturity of a business cycle?**
		Student presentations: 3. How to spot a real estate bubble? 4. Leading indicators of CPI 5. Forecasting global trade. Can a trade surplus be as bad as deficit?
2019-04-30	6	**Measuring economic confidence (ZEW, IFO, PMI etc) and expectations. Alternative data. Leading and lagging indicators.**
		Student presentations: 6. National savings rate and household savings rate 7. Leading indicators of household and corporate debt 8. Leading indicators of wage growth
2019-05-06	7	**Economic growth, factors of productivity, factor accumulation. Solow growth model. Measuring productivity. Path of productivity.**
		Student presentations: 9. Leading indicators of household consumption 10. Leading indicators of gross fixed capital formation 11. Leading indicators of manufacturing
2019-05-08	8	**Shadow economy. How to measure and influence it? Optimal Taxation.**
		Student presentations: 12. How to measure natural rate of interest? 13. How to forecast the size of the labour force (short vs long term)? 14. Full employment, unemployment and natural unemployment
2019-05-10	9	**Course wrap up**
		Student presentations: 15. Correlation between stock returns and bond returns: macroeconomic context 16. Macroeconomic impact of the euro adoption 17. Economic effects of income inequality 18. Why inflation is so low? Is Philips curve dead?
		Final exam

READINGS AND COURSE MATERIALS:

All necessary reading materials, including scientific publications, presentation slides and other materials will be made available on the e-learning system.

Background books for this course are:

Olivier Blanchard (2009), *Macroeconomics,* 5th edition, Prentice Hall

Sydsaeter, Knut (2008), *Further mathematics for economic analysis*, 2nd edition, Prentice Hall/

Gillman, M. (2011), *Advanced modern macroeconomics.* Pearson.

Weil, David N. (2009), *Economic Growth*, 2nd ed. Pearson.

David Romer (2006), *Advanced Macroeconomics*, 3rd ed., Mc-Graw Hill

TEACHING METHODS:

The teaching will consist of lectures, discussions and debates. Each student will have to prepare individual report on proposed economic topic and make a 20-minute presentation in the classroom, which will be followed by questions and discussion. Report on presented topic (up to two pages) should be sent by email to the lecturer by the end of the final lecture. At the end of each lecture 20 minutes are reserved for consultations on individual reports and presentations.

ASSESSMENT METHODS:

Method	Percent of course grade
Individual report and presentation	40
Participation	10
Final exam	50
Total:	100

ADDITIONAL NOTES:

In case of a negative final grade, students are allowed a re-sit exam. It will cover all course material. The weight of a re-sit is 50% of the final cumulative grade. Evaluation for report and class participation is not annulled. Students have to adhere to deadlines, as no extensions will be granted.