

INTERMEDIATE MACROECONOMICS

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

THE AIM OF THE COURSE:

This is a course in intermediate macroeconomics, designated for students with knowledge in economics, mathematics, and econometrics. 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

Course level learning outcomes (objectives)	Learning objectives for BSc in Business Management	Learning objectives for BSc in Social Science	Assessment methods	Teaching methods
CLO1. Differentiate the main theories in macroeconomics		ELO1.1.	Midterm exam, group project, final exam	Lectures, individual study, group study
CLO2. Discuss the main aspects of economic growth theories		ELO1.1.	Midterm exam	Lectures, seminars, individual study
CLO3. Apply the statements of classical theory when analysing an economy in the long run		ELO1.2.	Midterm exam, group project	Seminars, individual study, group study
CLO4. Graphically model macroeconomic situations using appropriate macroeconomic theories		ELO1.2.	Midterm exam, final exam	Lectures, seminars, individual study
CLO5. Consider the effectiveness of economic policies in different environment		ELO1.1., ELO1.2.	Group project, final exam	Lectures, seminars, individual study, group study
CLO6. Develop research 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
1. Introduction. The science of macroeconomics, the data of macroeconomics.	4	[2] Ch. 1, 2
2. Classical theory: the economy in the long run. National income, determinants of total production, distribution of national income to the factors of production, determinants of the demand, equilibrium of demand and supply.	4	[2] Ch. 3
3. Economic growth I. The Solow growth model: introduction, the dynamics of the model, golden rule level of capital, quantitative implications, empirical applications.	4	[1] Ch. 1 [2] Ch. 8, 9
4. Economic growth II. Introduction to endogenous growth theory.	4	[1] Ch. 3 [2] Ch. 9
5. Economic growth III. Cross-country income differences, social infrastructure, empirical applications.	4	[1] Ch. 4 [2] Ch. 9
MIDTERM EXAM	2	
6. Monetary system and inflation. Eurosystem monetary framework, the quantity theory of money, inflation and interest rates.	4	[2] Ch. 4, 5
7. Introduction to Economic Fluctuations. Introduction to business cycle theory, aggregate demand and supply. Dynamic AS-AD model, policy applications.	4	[2] Ch. 10, 15
8. Labour market and unemployment. Efficiency-wage model, the Shapiro-Stiglitz model, Plucking theory, structural unemployment.	4	[1] Ch. 11 [2] Ch. 7
9. Monetary Policy and macroprudential policy. Introduction to economic policy, the role of inflation expectations, reaction to different shocks, current state of monetary policy and macroprudential policy.	4	[1] Ch. 12 [2] Ch. 16, 18
10. Fiscal Policy. Ricardian equivalence, political-economy theories of budget deficits, European fiscal framework.	4	[1] Ch. 13 [2] Ch. 17
11. Group analysis presentations	6	
	Total: 48 hours	
CONSULTATIONS	2	
FINAL EXAM	2	

FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components 30%</i>	
Group analysis paper and presentation	30
<i>Individual Components 70%</i>	
Midterm exam (topics 1-5)	35
Final exam (topics 6-10)	35
Total:	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

1. **Midterm and Final Exams.** The midterm examination counts for 35% and the final examination counts for 35% 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 and presentation** counts for 30% 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 **70%** 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.
6. Barro, R. J. (2017). *Intermediate Macroeconomics*, 1st ed. Cengage Learning
7. Mankiw, G. N. & Taylor, M. P. (2017). *Macroeconomics*, 4th ed. Andover: Cengage Learning
8. Acemoglu, D. (2008). *Introduction to Modern Economic Growth*. Princeton University Press

ANNEX

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