

MACROECONOMICS I

COURSE OUTLINE SUMMER SEMESTER 2020

Dr. Paola D'Orazio

CONTENT

This module covers theoretical models on business cycle fluctuations and growth, inflation, and unemployment at an intermediate to advanced level. It provides an overview of the most critical macroeconomic topics and introduces students to concepts that are important for more advanced studies of macroeconomics and practical work in this field. The focus of this module is on aggregate models without micro-foundations. We use the theoretical models to introduce and to discuss important issues of macroeconomic policy concerning the growth and macroeconomic stabilization. Particular attention will be devoted to the analysis of the financial system and the conditions that lead to a financial crisis.

MODULE OBJECTIVES

- You learn how to work with macroeconomic models at an intermediate to advanced level.
- You get an overview of critical macroeconomic topics and facts.
- You acquire knowledge that is necessary to understand financial crises, their unfolding, and possible solutions.
- You acquire sound theoretical foundations for macroeconomic policy analysis.

PREREQUISITES

Students will need excellent English skills and the willingness to deal with mathematical economic models. Knowledge of macroeconomic models and concepts at the principles to intermediate level is expected. We recommend the reading of the following chapters before the start of the course to familiarize with the style of the book and to make a recap of the most crucial concepts needed to progress on the course.

- Chapter 1, "The demand side."
- Chapter 2, "The supply side."

From the textbook: Carlin W., Soskice D., (2015) *Macroeconomics. Institutions, Instability, and the Financial System*. Oxford University Press.

ORGANIZATION

This module consists of lectures and tutorials.

Participants: no restriction

Lecture: **Please note:** Attending the lectures will help you understand the material and also help students gauge what is important for the exam. This does not imply exam's questions will only come from lectures, only that in class the lecturer will cover the more challenging material from the relevant material (i.e., the

textbook) recommended for the course. Students are responsible for the information in the recommended material **AND** in the lectures.

Assessment: A final written exam. It will count 100% of the final grade. Further details on the exam will be provided on Moodle in due time.

Time and place: Monday, 8-10 h (Lecture)
Wednesday, 16-18 h (Tutorial)

Additional notes due to the COVID-19 emergency:

The lectures and tutorial sessions will be video-recorded and uploaded on Moodle. Each week a checklist will be provided to help the students in the learning process. Further information is posted on Moodle: please read it carefully before the start of the lecture period.

Start: April, 20th 2020

Final exam: July, 13th 2020

Exam Registration: via FlexNow 25.05.2020 - 19.06.2020
(It is possible to cancel the registration for the exam until. 06.07.2020)

SELF-STUDY

This module contains 120 hours of self-study. You are expected to prepare the lecture by reading the relevant chapters of the textbook.

COURSE TEXTBOOK

It is strongly recommended to acquire the following textbook (it is also available at the Department library):

Carlin W., Soskice D., (2015) Macroeconomics. Institutions, Instability, and the Financial System. Oxford University Press

Further literature and information will be provided on Moodle.

SCHEDULE

The following schedule is **preliminary** and subject to changes. Any change will be announced on Moodle in due course.

Lecture		Tutorial
Date	Topic	Date
20.04.20	Ch 3: The 3 eq model and macroeconomic policy	22.03.20
27.04.20	Ch 3: Applications of the 3 equation model	29.04.20
04.05.20	Ch 4: Expectations, inflation, and the Phillips curve	06.05.20
11.05.20	Ch 13: Monetary policy	13.05.20
18.05.20	Ch 5: Money, banking and the macro economy	20.05.20
25.05.20	Ch 6: The financial sector and crises	27.05.20
01.06.20	Ch 7: The global financial crises: applying models	03.06.20
08.06.20	Ch 7: Policy intervention in the crisis	10.06.20
15.06.20	Ch 13: Banking and macroprudential regulation	17.06.20
22.06.20	Ch 14: Fiscal policy	24.06.20
29.06.20	Ch 14: Debt dynamics	01.07.20
06.07.20	Ch 12: The Eurozone economy	08.07.20
13.07.20	<i>Final exam</i>	---