

MACROECONOMICS I

COURSE OUTLINE SUMMER SEMESTER 2021

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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. The course will integrate the financial system with a model of the macro-economy. In doing this, it takes account of the gaps in the mainstream model exposed by the financial crisis and the Eurozone crisis. This equips the students with a realistic modelling framework to analyse the economy both in crisis times and in periods of stability.

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 questions will only come from lectures, only that in class the lecturer will cover the more challenging material from the textbook recommended for the course. Students are responsible for the information in the recommended material **AND** in the lectures and tutorials. Detailed information on chapters and sections covered will be provided in each lecture.

Time and place: Lecture: Monday, 16-18 h (Recorded video or live on Zoom)
Tutorial: Wednesday, 16-18 h (Live on Zoom)

Start: April, 19th 2021

- Zoom live introduction to the course.
- The link to the zoom meeting will be provided in due time on Moodle
- This introduction will not be recorded so students are encouraged to take part to get relevant information on the course

Assessment: 4 written assessments that will take place through Moodle. Each assessment will count for 25% of the final grade. Further details will be provided in due time.

Intermediate assessments dates:

1. 17.05.2021 (16h-16:30h)
2. 07.06.2021 (16h-16:30h)
3. 05.07.2021 (16h-16:30h)
4. 26.07.2021 (16h-16:30h)

Intermediate assessment registration: via FlexNow, details will be announced in due time

Resit exam in the Winter Semester 2021: written exam (60 minutes), the date and further details will be announced in due time.

Resit Exam Registration: via FlexNow, details will be announced in due time

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	Assessment	
Date	Topic	Book sections	Date	#assessment	Date assigned and due
19.04.21	Introduction		no tutorial		
26.04.21	Ch 3: The 3 equation model and macroeconomi	3.1 and 3.2	28.04.21	Assessment 1	17.05.21
03.05.21	Ch 3: Applications of the 3 equation model	3.3-3.5	05.05.21		
10.05.21	Ch 4: Expectations, inflation, and the Phillips curve	4.3, 4.4, 4.6, 4.7	12.05.21		
17.05.21	Ch 13: Monetary policy	13.1-13.5	19.05.21	Assessment 2	07.06.21
24.05.21	Ch 5: Money, banking and the macro economy	all sections	26.05.21		
31.05.21	Ch 6: The financial sector and crises	all sections	02.06.21		
07.06.21	Ch 7: The global financial crises: applying models	7.1-7.4	09.06.21	Assessment 3	05.07.21
14.06.21	Ch 7: Policy intervention in the crisis	7.5, 7.6	16.06.21		
21.06.21	Ch 13: Banking and macroprudential regulation	13.6, 13.7	23.06.21		
28.06.21	Extra-lecture: <i>Green macroprudential regulation: an international perspective</i>	Scientific paper provided by the lecturer	no tutorial		
05.07.21	Ch 14: Fiscal policy	14.1, 14.2, 14.5, 14.6	07.07.21	Assessment 4	26.07.21
12.07.21	Ch 14: Debt dynamics	only section 14.3	14.07.21		
19.07.21	Ch 12: The Eurozone economy	12.1-12.4	21.07.21		