



Bachelor's courses School of Business and Economics

VU University Amsterdam - Student- & Onderwijszaken - Exchange programme Vrije Universiteit - 2018-2019

Macroeconomics I

Course code	E_EBE1_MACEC ()
Period	Period 4
Credits	6.0
Language of tuition	English
Faculty	School of Business and Economics
Coordinator	prof. dr. E.J. Bartelsman
Examinator	prof. dr. E.J. Bartelsman
Teaching method(s)	Lecture, Study Group, Instruction course
Level	100

Course objective

The overall goals of the course are to provide a familiarity with the basic concepts of macro economics, including national income, economic growth, inflation, unemployment, and fiscal and monetary policy.

After successful completion of this course:

- you will be able to generate academic questions from empirical observation (Academic Skills);
- find relevant data in sources such as Statline, Eurostat, ECB, World Bank, etc, and manipulate and analyse these data (Academic Skills);
- you will be able to make calculations on inflation (CPI) or economic growth (Academic Skills, Bridging Theory and Practice - Application)
- you will be able to explain the role of economic institutions and organisations such as Netherlands Bureau for Economic Policy Analysis (CPB) or the European Central Bank (ECB) (Bridging Theory and Practice - Application, Broadening Your Horizon)

Course content

This course concerns the functioning of the economy as a whole, at times for a single country and at times for countries in an international context. The course starts with a description of basic macro-economic concepts both from a theoretical and empirical point of view. An introduction to money and banking expands the field of study to monetary economics. Next, the course addresses the real side of the macro economy and shows the circular flow of production factors and final goods between households and firms. A basic model of income determination and a basic model of real economic growth follow. Next, the real and monetary sides of the macro economy are joined to provide a basic model of business cycles to jointly study fluctuations in (un)employment and inflation. Finally, the course initiates an analysis of fiscal and monetary policy, in a European and international context. The course maintains links with current events and policy questions of pressing concern.

Following a quarter century of steady economic growth, falling unemployment rates and low inflation, the advanced economies received in 2008 the largest economic shock since the great depression of the 1930s. What were the origins of the crisis? Was it mostly a failure of regulation or are such crisis inevitable feature of market-based macro economies? Are we already witnessing the origins of the next crisis?

In this course we build upon material from the course Microeconomics I, and we study the developments of aggregate economic growth, of business

cycles in employment, consumption, investment and trade, and we consider the joint movements of inflation, exchange rates, monetary aggregates and financial indicators. We also look at national income accounts as a means of reporting on macro-economic developments using concepts that also appear in the course Accounting I. Further, macro-economic indicators such as interest rates, exchange rates and economic growth are important factors for business decisions that are discussed in other first year courses such as Marketing and Finance.

Form of tuition

Lectures

Tutorials

Type of assessment

Final Exam (individually assessment)

Weekly Problem Sets (individually assessment)

Course reading

- Mankiw, N.G. en M.P. Taylor (2014), Macroeconomics, European Edition (second edition), W.H. Freeman & Co Ltd.(ISBN-13: 978-1464141775).

- supplemented with online material

Entry requirements

None.

Recommended background knowledge

Economic Challenges, Quantitative Research Methods I en Microeconomics I.

Target group

The course is intended for students of EBE, but could be of interest to Bachelor students of any faculty.