

E013	Macroeconomics II	L	P	S	ECTS
		2	2	0	5

Course objectives. Integrate and deepen students' knowledge of the closed and open economy behaviour, enable them to acquire competencies to individually analyse and critically evaluate the effects of macroeconomic policy over time, within the framework of more complex macroeconomic models, and to apply acquired competencies in analysing and evaluating real macroeconomic events and situations.

Prerequisites. Macroeconomics I.

Course content.

1. Macroeconomic theories and models. The goods and money markets in the short run: the IS-LM model. The AS and the labor market: models with flexible and rigid wages. Analytical derivation of the AS-AD model. Exogenous supply shocks. Analysis (graphical and analytical) of the effects of fiscal and monetary policy and other macroeconomic changes over time. Unemployment, inflation and expectations.
2. Macroeconomics of the open economy: the goods market in the small open economy in the short run (the AE model) and the long run (the classical model). Analysis (graphical and analytical) of the effects of fiscal policy and other macroeconomic changes. Exchange rates and the foreign exchange market. Real exchange rate, macroeconomic policy and macroeconomic performance. The Mundell-Fleming model: the effects of monetary, fiscal and foreign trade policy in a fixed and flexible exchange rate system. Analytical derivation of the AD equation. Balance of payments: mobility and interest parity. Balance of payments adjustment. Policies for internal and external balance.
3. Macroeconomic policy. Fiscal policy - synthesis (effects, state budget). Monetary policy - synthesis (effects, dilemmas, the Taylor rule).
4. Economic growth.

LEARNING OUTCOMES

No.	LEARNING OUTCOMES
1.	Integrate knowledge of the behaviour of the economy over time.
2.	Calculate the values of the selected macroeconomic variables and critically evaluate the solutions obtained.
3.	Select and apply more complex macroeconomic models in solving specific macroeconomic tasks.
4.	Choose the right political mix aimed at achieving internal and external balance at the same time.
5.	Evaluate the effects of macroeconomic policies over time and critically review their scope within the framework of the macroeconomic models studied.

RELATING THE LEARNING OUTCOMES, ORGANIZATION OF THE EDUCATIONAL PROCESS AND ASSESSMENT OF THE LEARNING OUTCOMES

TEACHING ACTIVITY	ECTS	LEARNING OUTCOME **	STUDENT ACTIVITY*	EVALUATION METHOD	POINTS	
					min	max

Attending lectures and exercises	0.5	1-5	Lecture attendance, discussion, team work and individual work on given tasks, brief exams	Attendance lists, tracking activities, tasks (individual, team)	2.5	5
Homework	0.5	1-5	Individual and team work on given tasks	Evaluation	2.5	5
Written exam (Mid-terms)	4	1-5	Preparing for written exam	Evaluation	46	90
Final exam (alternatively)	(4)	1-5	Revision	Written and oral exam	(46)	(90)
TOTAL	5				51	100

Teaching methods and student assessment. Within the time limit, classes (lecture and practice sessions) will be organized in a way that confronts theoretical assumptions with the results of empirical research and developments in the world and Croatia. In this context, students will be encouraged to actively participate in class discussions. Lecture and practice sessions are obligatory. Upon completion of the course, students can take the exam. Successful midterm exam scores, together with activity during the classes, may replace the final exam. Students can influence the grade by writing homework during the semester.

Can the course be taught in English: Yes

Basic literature:

1. Đ. Borozan, Makroekonomija, Ekonomski fakultet u Osijeku, Osijek, 2019.
2. O. Blanchard, Macroeconomics, 7th edition, Pearson, 2017.

Recommended literature:

1. N.G. Mankiw, Macroeconomics, The Dryden Press, Fort Worth, 9th edition, 2016.
2. I. Bičanić, M. Deskar-Škrbić, Makroekonomika I – za ekonomiste i neekonomiste s hrvatskim prijevodima, Arhivanalitika, Zagreb, 2018.
3. O. Blanchard, F. Giavazzi, A. Amighini, A.: Macroeconomics: A European Perspective, Financial Times/Prentice Hall, 2011.
4. D. Romer, Advanced Macroeconomics, McGraw-Hill/Irwin, 4th edition, 2011.