

**The Government of the Russian Federation
Federal State Autonomous Institution for Higher Professional Education
National Research University Higher School of Economics
St. Petersburg Branch
St. Petersburg School of Economics and Management**

**Course Syllabus
Macroeconomics I**

Area of Studies: 38.04.01 “Economics”

Level: Master

Master Programme “Applied Economics and Mathematical Methods”

Area of Studies: 38.04.08 “Finance and Credit”

Level: Master

Master Programme “Finance”

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Recommended by the Head of the Students’ Office for Master in Finance Master Programme
Neklyudova M.A. _____ “___” 20___

Approved by the Academic Director of Master in Applied Economics and Mathematical Methods
Master Programme on 31st August 2018

Academic director: Slobodyan S.A. _____ “___” 20___

Approved by the Academic Council of Master in Finance Master Programme
on 30th August 2018 # 1-2018/19

Academic director: Rogova E.M. _____ “___” 20___

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Course Syllabus

Title of the course	Macroeconomics I		
Title of the Academic Programme	Master's programme "Applied Economics and Mathematical Methods" Master's programme, "Finance"		
Type of the course	Mandatory; available to foreign students		
Prerequisites	Mathematics for Economists, undergraduate-level Macroeconomics		
ECTS workload	6		
Total indicative study hours	Directed Study	Self-directed study	Total
	52	176	228
Course Overview	<p>Macroeconomics is the study of <i>economic growth</i> and <i>business cycles</i>. It aims to explain observed aggregate time series for economic variables like GDP, consumption, investment, prices and wages, and the rate of unemployment. In this course we will concentrate on the study of business cycles, or economic phenomena in the short run. Study of economic growth is mostly relegated to the Macroeconomics II course.</p> <p>In the short run an economy experiences nominal rigidities (sticky prices and wages) and expectational errors (prices that are different from what was expected). Rigidities and expectations make <i>nominal</i> aggregate demand, which could fluctuate because of some shock, affect <i>real</i> economic activity such as output and unemployment. Therefore, it is necessary to engage in <i>aggregate demand management</i> in order to <i>stabilize</i> the economy. We will study such <i>stabilization policies</i> (mostly <i>fiscal</i> and <i>monetary</i>) and the most efficient ways of performing them.</p> <p>The global financial and economic crisis of 2008–2011 and slow recovery from it is a topic that will concern us throughout the course. We will attempt to look at it from a macroeconomist's point of view and evaluate different economic policies enacted around the world. We will dive into the world of macroeconomic data and the economic blogosphere, which debates current events.</p>		
Intended Learning Outcomes (ILO)	<p>Understand the main mechanisms operating in the economy Know the basic building blocks of short-run macroeconomic theory Be able to describe the process of the economy's adjustment towards equilibrium after a shock Have an understanding of the monetary policy conducted under Taylor Rule Be able to derive consumption and investment functions in simple settings, as well as understand the concept of the optimal monetary policy Understand the need for stabilization policy, and the methods it is conducted by the government (fiscal policy) and the Central Bank (monetary policy)</p>		
Teaching and Learning Methods	The course consists of lectures (24 hours) and tutorials (28 hours). The tutorials involve solving problems and discussing real-time macroeconomic issues using terms and concepts studied in class.		

Content and Structure of the Course					
№	Topic / Course Chapter	Total	Directed Study		Self-directed Study
			Lectures	Tutorials	
1	What is macroeconomics? Macro for short and long run.	16	2	2	1
2	Business cycles facts.	20	2	2	2
3	Short run model of the economy: building blocks. a. Investment and asset prices. b. Consumption, income, wealth. c. Monetary policy and AD. d. Inflation, Unemployment, Phillips curve, and AS.	66	8	8	3
4	Short run model of the economy and policy: closed economy. a. Explaining business cycles with AS and AD. b. Stabilization policy: why and how? c. Stabilization policy with rational expectations. d. Stabilization policy under uncertainty and imperfect credibility.	66	8	8	4
5	* Short run model of the economy and policy: open economy. a. * Open economy version of AS/AD model. * Open economy and exchange rate regimes.	60	4	8	5
Total study hours		228	24	28	176
Indicative Assessment Methods and Strategy		Students' progress will be measured by [1] in-class tests (30% of the final grade), [2] class participation (10%), and [3] 90-minute written final exam (60%). Items [1] and [2] are components of cumulative grade which has weight 0.4 in the final grade.			
Readings / Indicative Learning Resources		<u>Mandatory</u> (SWJ) P. B. Sorensen and H. J. Whitta-Jacobsen, Introducing Advanced Macroeconomics: Growth and Business Cycles, 2 nd ed.,			

	<p>2011, McGraw- Hill Higher Education.</p> <p><u>Optional</u></p> <p>(DLS) M. Doepke, A. Lehnert, and A. W. Sellgren, Macroeconomics, 1999, available at http://faculty.wcas.northwestern.edu/~mdo738/textbook/main.pdf</p> <p>Additional papers will be distributed in class for in-class presentations and discussions</p>		
Indicative Self- Study Strategies	Type	+/-	Hours
	Reading for seminars / tutorials (lecture materials, mandatory and optional resources)	+	40
	Assignments for seminars / tutorials / labs	+	20
	E-learning / distance learning (MOOC / LMS)	+	56
	Fieldwork	-	
	Project work	-	
	Other (please specify)		
Preparation for the exam			
		+	60
Academic Support for the Course	Academic support for the course is provided via LMS, where students can find: guidelines and recommendations for doing the course; guidelines and recommendations for self-study; samples of assessment materials		
Facilities, Equipment and Software	(If required)		
Course Instructor	Sergey Slobodyan, Victoria Zezerova		

Intended Learning Outcomes (ILO) Delivering

Programme ILO(s)	Course ILO(s)	Teaching and Learning Methods for delivering ILO(s)	Indicative Assessment Methods of Delivered ILO(s)
LO1 Understand the challenges of uncertain economic environment, assess them and take appropriate financial and investment decisions	Understand the main mechanisms operating in the economy Know the basic building blocks of short-run macroeconomic theory Be able to describe the process of the economy's adjustment towards equilibrium after a shock	Individual problem solving Discussion of real-time issues using terms and concepts studied in class.	In-class quizzes Exams

Annex 1

Course Content

1. What is macroeconomics? Macro for short and long run.
2. Business cycles facts.
3. Short run model of the economy: building blocks.
 - a. Investment and asset prices.
 - b. Consumption, income, wealth.
 - c. Monetary policy and AD.
 - d. Inflation, Unemployment, Phillips curve, and AS.
4. Short run model of the economy and policy: closed economy.
 - a. Explaining business cycles with AS and AD.
 - b. Stabilization policy: why and how?
 - c. Stabilization policy with rational expectations.
 - d. Stabilization policy under uncertainty and imperfect credibility.
5. Short run model of the economy and policy: open economy.
 - a. Open economy version of AS/AD model.

Assessment Methods and Criteria**Assessment Methods**

Types of Assessment	Forms of Assessment	Modules			
		1	2	3	4
Formative Assessment	Test	*	*		
	Essay				
	Report/Presentation				
	Project				
	In-class Participation				
	Other (write appropriate control forms for the course)				
Interim Assessment (if required)	Assignment (e.g. written assignment)	*	*		
Summative Assessment	Exam		*		

Assessment Criteria

In-class Participation

Grades	Assessment Criteria
«Excellent» (8-10)	A critical analysis which demonstrates original thinking and shows strong evidence of preparatory research and broad background knowledge.
«Good» (6-7)	Shows strong evidence of preparatory research and broad background knowledge. Excellent oral expression.
«Satisfactory» (4-5)	Satisfactory overall, showing a fair knowledge of the topic, a reasonable standard of expression. Some hesitation in answering follow-up questions and/or gives incomplete or partly irrelevant answers.
«Fail» (0-2)	Limited evidence of relevant knowledge and an attempt to address the topic. Unable to offer relevant information or opinion in answer to follow-up questions.

Project Work

Grades	Assessment Criteria
«Excellent» (8-10)	A well-structured, analytical presentation of project work. Shows strong evidence and broad background knowledge. In a group presentation all members contribute equally and each contribution builds on the previous one clearly; Answers to follow-up questions reveal a good range and depth of knowledge beyond that covered in the presentation and show confidence in discussion.
«Good» (6-7)	Clearly organized analysis, showing evidence of a good overall knowledge of the topic. The presenter of the project work highlights key points and responds to follow up questions appropriately. In group presentations there is evidence that the group has met to discuss the topic and is presenting the results of that discussion, in an order previously agreed.
«Satisfactory» (4-5)	Takes a very basic approach to the topic, using broadly appropriate material but lacking focus. The presentation of project work is largely unstructured, and some points are irrelevant to the topic. Knowledge of the topic is limited and there may be evidence of basic misunderstanding. In a group presentation, most of the work is done by one or two students and the individual contributions do not add up.
«Fail» (0-2)	Fails to demonstrate any appropriate knowledge.

Written Assignments (Essay, Test/Quiz, Written Exam, etc.)

Grades	Assessment Criteria
«Excellent» (8-10)	Has a clear argument, which addresses the topic and responds effectively to all aspects of the task. Fully satisfies all the requirements of the task; rare minor errors occur;
«Good» (6-7)	Responds to most aspects of the topic with a clear, explicit argument. Covers the requirements of the task; may produce occasional errors.
«Satisfactory» (4-5)	Generally addresses the task; the format may be inappropriate in places; display little evidence of (depending on the assignment): independent thought and critical judgement include a partial superficial coverage of the key issues, lack critical analysis, may make frequent errors.
«Fail» (0-2)	Fails to demonstrate any appropriate knowledge.