

**Belarus State Economic University**

**Educational institution**

**APPROVED**

The Rector of Belarus State Economic  
University, educational institution

\_\_\_\_\_ V.N.Shimov

«\_\_\_\_\_» \_\_\_\_\_ 2017

Registration No UD \_\_\_\_\_/syllabus.

**MACROECONOMICS**

**(advanced)**

Syllabus for Master's programs

Specializations 1-26 81 05 «Marketing»,

1-26 81 06 «Accounting, analysis and audit»

**The author:** *Petrushkevich A. N.*, Ph. D., associate professor, Department of World Economy, Belarus State Economic University

**Readers:**

Department of Economic Theory, Poleski State University, educational institution (Cheplianski Y.V., Head, Ph. D., associate professor)

*Shafranskaya I. V.* – Professor, Department of Mathematical Modeling of Economic Systems in Agricultural Complex, Belarus State Agricultural Academy, educational institution, Ph. D., associate professor.

**Recommended for approval:**

by the Department of Economic Theory, Belarus State Economic University  
(minutes № 11 from 12.04.2016)

by the Scientific and Methodological Council, Belarus State Economic University  
(minutes №   5   from   22.06.2016  )

Responsible for editorship: Petrushkevich A.N.

Responsible for issue: Petrushkevich A.N.

## Explanatory note

The course of Macroeconomics is a main course in education of masters in international economy, as it reflects the most important macroeconomic parameters of the open economy on the contemporary step of the world economy development and regulation instruments, which are connected with the peculiarities of internationalization and globalization.

The object of the course of Macroeconomics is study of dynamics and determination the most important macroeconomic parameters of the open economy, using various approaches and schools.

The objective of the course is to develop in masters systemic knowledge and skills in the sphere of analysis and government of economy at the macrolevel taking into consideration features of interactions in real, fiscal and monetary sectors of small open economy and external sector.

Targets of the course (implementation of requirements to qualification):

- comprehension of theoretical propositions in dynamics of the most important macroeconomic parameters of the open economy, using various approaches and schools;
- learning of the structure and content in approaches to government of the main macroeconomic parameters in the open economy;
- learning of the international practice in the governing of the main macroeconomic parameters in the open economy;
- obtaining skills in identifying of the peculiarities in dynamics and changes of the main macroeconomic parameters in the open economy and examination of their macroeconomic government.

After learning of the course master must:

***have known:***

- main issues of international economics;
- the terms of general equilibrium for closed and open economy;
- interactions in real and external sectors of small open economy and its reflection in national accounts and balance of payments;
- peculiarities of different macroeconomic models;

***be good in:***

- identifying the terms of current and long-term equilibrium for closed and open economy;
- application of the peculiarities of different macroeconomic models of various economic schools in economic tendencies' analysis;

***have skills in:***

- application of the principles of monetary and commodity markets' interaction in IS-LM model under influence of expansion or restriction of monetary and fiscal policies in economic tendencies' analysis;
- using of the principles in creation of supply and demand on money in economic tendencies' analysis;
- identifying of the content of fiscal policy, peculiarities of state budget creation and public debt government in economic tendencies' forecasting;

- application of the principles of exchange rate dynamics in economic tendencies' analysis;
- application of the Mandell-Fleming model for the small open economy in economic tendencies' analysis;
- application of the main economic identities in economic tendencies' analysis.

Total academic hours for the course for the specialization in 1-26 81 05 «Marketing» is 108, including total academic hours in auditorium – 36/18, including 20/10 h – lectures, 16/8 h – seminars. Form of control is an exam.

Total academic hours for the course for the specialization in 1-26 81 06 «Accounting, analysis and audit» – 68, including total academic hours in auditorium – 34, including 20 h – lectures, 14 h – seminars. Form of control is a test.

# CONTENT OF TEACHING MATERIALS

## 1. Macroeconomics: an overview

Macro issues: main aggregates, their interdependence. Macro and micro: interdependence. Macroeconomic policies.

International economics issues: trade and competitiveness, NIA and BoP, interest and exchange rates.

Macro & International: intersections and interrelations (BoP, exchange rate) Development aspects in the context of international macroeconomics: growth and development, internal and external shocks, country borrowing and debt, development models.

Schools of thoughts: mainstream and alternatives, reasons for diversity, consensus and disagreements, contemporary tendencies

## 2. Economic Growth

Definition of GDP and its components. GDP, GNI, national income, disposable personal income. Basic identities for closed economy.

Balance of Payments: parts and components, paired transactions, fundamental BoP identity.

Basic identities for open economy.

Examples of NIA and measuring BoP.

Output/employment determination. Production function (Cobb-Douglas).

Labour market equilibrium.

Say's Law: arguments and critics.

Quantity theory of money: Cambridge version. Fisher equation.

Full neoclassical model.

## 3. Economic Fluctuations

Keynesian and classical unemployment.

The neoclassical view: Natural rate of unemployment. Frictional and Structural Unemployment.

Unemployment Policy (case studies).

Keynes' General Theory: main propositions. Analysis of Labour Market.

View on Say's Law.

Keynes' Interpretation of Quantity Theory of Money. Interpretations and development of Keynes' General Theory.

The IS-LM-model: goods market and money market equilibrium. Role of Fiscal and Monetary Policy.

Unemployment Equilibrium in Keynesian Model: general and special cases. The Neoclassical Synthesis.

The Reinterpretation of Keynes.

#### **4. Fiscal Policy and Government Debt**

The role of government spending and taxes.  
Budget, deficits, and policy issues.  
Budget multiplier, balanced-budget multiplier  
Government's debt and problems of measuring budget deficits. Debt sustainability: potential risks and benefits.

#### **5. Monetary Policy and Inflation.**

The Money Demand Function.  
Money Supply: two Theories. The money supply determination.  
Tools (instruments) and targets in central banking. Instruments of Monetary Policy.  
The classical theory of inflation. The Quantity Theory of Money.  
Seigniorage. Inflation and Interest Rate  
Money Demand and Supply: Equilibrium  
Social Costs of Inflation.

#### **6. Exchange-Rate Regime and Policy**

Exchange Rate and the Foreign Exchange Market.  
Exchange Rate Theories.  
Money Supply and Money Demand in Open Economy.  
Fixed Exchange Rate and Exchange Intervention.  
Small open economies - the Mundell-Fleming Model.  
The Small Open Economy under Floating Exchange Rate: the Influence of Fiscal, Monetary and Trade Policy.  
The Small Open Economy under Fixed Exchange Rate: Policy Influence.  
Differentials in the Mundell-Fleming Model.  
Problems with Balance of Payments. Current account balances. Different views on the current account.  
Sustainability of current account deficits. Options: deficit or surplus.

## TEACHING AND METHODOLOGICAL CARD OF THE COURSE

### « *Macroeconomics (advanced)* »

Specialization 1-26 81 05 «Marketing»

(Full-time master programme)

Theme number	Theme	Quantity of Academic Hours in auditorium						Testing
		Lectures	Practical classes	Seminars	Laboratory work	Self-studies	Other	
1	2	3	4	5	6	7	8	9
1	Macroeconomics: an overview	3	-	2	-	-	Power Point Presentation, handouts, reading [1, 2, 4, 5]	Oral test
2	Economic Growth	3	-	3	-	-	Power Point Presentation, handouts, reading [1, 2, 5, 10]	Oral test

3	Economic Fluctuations	4		3	-	-	Power Point Presentation, handouts, reading [1, 2, 5, 10]	Oral test
4	Fiscal Policy and Government Debt	3		3	-	-	Power Point Presentation, handouts, reading [2, 4, 11]	Oral test
5	Monetary Policy and Inflation	3	-	2	-	-	Power Point Presentation, handouts, reading [1, 3, 5, 6, 13, 14]	Oral test
6	Exchange-Rate Regime and Policy	4	-	3	-	-	Power Point Presentation, handouts, reading [1, 5, 6, 7, 10, 12]	Oral test
	<b>Total</b>	<b>20</b>		<b>16</b>				<b>Final test</b>



## TEACHING AND METHODOLOGICAL CARD OF THE COURSE

### « *Macroeconomics (advanced)* »

Specialization 1-26 81 05 «Marketing»

(Part-time master programme)

Theme number	Theme	Quantity of Academic Hours in auditorium						Testing
		Lectures	Practical classes	Seminars	Laboratory work	Self-studies	Other	
1	2	3	4	5	6	7	8	9
1	Macroeconomics: an overview	1	-	1	-	-	Power Point Presentation, handouts, reading [1, 2, 4, 5]	Oral test
2	Economic Growth	2	-	1	-	-	Power Point Presentation, handouts, reading [1, 2, 5, 10]	Oral test

3	Economic Fluctuations	2		2	-	-	Power Point Presentation, handouts, reading [1, 2, 5, 10]	Oral test
4	Fiscal Policy and Government Debt	1		1	-	-	Power Point Presentation, handouts, reading [2, 4, 11]	Oral test
5	Monetary Policy and Inflation	2	-	1	-	-	Power Point Presentation, handouts, reading [1, 3, 5, 6, 13, 14]	Oral test
6	Exchange-Rate Regime and Policy	2	-	2	-	-	Power Point Presentation, handouts, reading [1, 5, 6, 7, 10, 12]	Oral test
	<b>Total</b>	<b>10</b>		<b>8</b>				<b>Final test</b>

## TEACHING AND METHODOLOGICAL CARD OF THE COURSE

### «*Macroeconomics (advanced)*»

Specialization 1-26 81 06 «Accounting, analysis and audit»

(Full-time master programme)

Theme number	Theme	Quantity of Academic Hours in auditorium						Testing
		Lectures	Practical classes	Seminars	Laboratory work	Self-studies	Other	
1	2	3	4	5	6	7	8	9
1	Macroeconomics: an overview	3	-	2	-	-	Power Point Presentation, handouts, reading [1, 2, 4, 5]	Oral test
2	Economic Growth	3	-	2	-	-	Power Point Presentation, handouts, reading [1, 2, 5, 10]	Oral test

3	Economic Fluctuations	4		3	-	-	Power Point Presentation, handouts, reading [1, 2, 5, 10]	Oral test
4	Fiscal Policy and Government Debt	3		2	-	-	Power Point Presentation, handouts, reading [2, 4, 11]	Oral test
5	Monetary Policy and Inflation	3	-	2	-	-	Power Point Presentation, handouts, reading [1, 3, 5, 6, 13, 14]	Oral test
6	Exchange-Rate Regime and Policy	4	-	3	-	-	Power Point Presentation, handouts, reading [1, 5, 6, 7, 10, 12]	Oral test
	<b>Total</b>	<b>20</b>		<b>14</b>				<b>Final test</b>

## **Informational and methodical chapter**

### *Methodical recommendations for self-studies of master students on the course of Macroeconomics (advanced)*

Self-studies of master students are very important stage in obtaining the knowledge on the course. In average 2-2.5 h is recommendable for the self-studies in proportion for each 2 h of classes.

Main components of self-studies for master students are the following:

- detailed review of the course syllabus;
- examining the reading list of the course, obtaining it in the library and in different other available sources, studies of the literature on the theme and additional literature selection;
- studies on the bases of expansion the lectures' materials at expense of the special literature and consultations;
- preparations for seminars which are based on elaborated outlines with references on obligatory and additional literature;
- current testing;
- preparations for final exam (test).

## Reading:

### *Obligatory*

1. Blanchard O. Macroeconomics. 7th. Global ed. — Pearson, 2017. — 576 p.
2. Mankiw N. Gregory. Macroeconomics. 9th Edition. — New York: Worth Publishers, 2016. — 608 p.
3. Agénor P.-R., Montiel P.J. Development Macroeconomics. 4th Revised edition. — Princeton University Press, 2015. — 793 p.
4. Krugman P., Wells R. Macroeconomics in Modules. 3rd ed. — Worth Publishers, 2014. — 623 p.
5. Goodwin, N.R., et al. Macroeconomics in Context. 2<sup>d</sup> edit. - Armonk, New York, M.E.Sharpe, 2014. – 964 p.

### *Additional*

6. Mankiw, N. G. (2012) Macroeconomics. 8<sup>th</sup> edit. NY, Worth Publishers. – 682 p.
7. Krugman, R., Obstfeld, M. International Economics. Theory and Policy. – Pearson International Edition, 2006. – 680 p.
8. Priewe, J., Herr, H. The Macroeconomics of Development and Poverty Reduction. Strategies beyond the Washington Consensus. – Baden-Baden: Nomos, 2005. – 312 p.
9. Jha Raghendra. Macroeconomics for Developing Countries. 2nd Edition. — Routledge, 2003. – 480 p.
10. Snowdon, B., Vane, H., Wynarczyk, P. A Modern Guide to Macroeconomics. – Cheltenham: Edward Elgar, 2002. – 400 p.
11. Heijdra B.J., Van Der Ploeg F. Foundations of Modern Macroeconomics. - Oxford University Press, 2002. — 784 p.
12. Mishkin Frederic S. Macroeconomics: Policy and Practice. - Prentice Hall, 2011. — 602 p.
13. Galbács Peter. The Theory of New Classical Macroeconomics: A Positive Critique. - Springer, 2015. — 392 p.
14. Colander D. (Ed.) Post Walrasian Macroeconomics: Beyond the Dynamic Stochastic General Equilibrium Model. - Cambridge University Press – 2006, 440 pages
15. Welfens P. J.J. - Innovations in Macroeconomics , Springer-Verlag Berlin Heidelberg, 2007 - 446p.
16. Acemoglu Daron, Laibson David, List John. Macroeconomics. - Pearson Education Limited, 2015. — 432 p.
17. Gärtner Manfred. Macroeconomics. - 2nd edition. — Gosport: Prentice Hall, 2006. — 531 c.

### Syllabus negotiation protocol

Study discipline for coordination	Department	Suggestions of the alterations in the study program contests	Decision taken by the department regarding the study program (data and protocol number)
1	2	3	4
			Protocol N__ dated _____