

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
Ivan Franko National University of Lviv
Faculty of Economics
Department of Analytical Economy and International Economics

Approved
At the meeting of the Department of Analytical Economy and
International Economics
Faculty of Economics
Ivan Franko National University of Lviv
(Minutes № 1, 31.08.2020)
Head of the department prof. S. Panchyshyn



Syllabus of discipline

"Macroeconomics III"

taught within the third level
of higher education program
051 Economics

Lviv 2020

Syllabus
Macroeconomics III
academic year 2020-2021

Course title	Macroeconomics III
Course Teaching Address	Lviv, 18 Svobody Avenue
Faculty and department for which the discipline is assigned	Faculty of Economics, Department of Analytical Economy and International Economics
Field of knowledge, code and name of specialty	05 Social and behavioral sciences 051 Economics
Instructor	Assoc. Prof. Vasyl Bunyak
Contact information of the instructor	vasyl.bunyak@lnu.edu.ua; +380322 394063
Consultations on the course take place at	Department of Analytical Economy and International Economics, 18 Svobody Avenue, room 107
Course web page	https://econom.lnu.edu.ua/academics/postgraduates/051-economics
Course information	The course "Macroeconomics III" belongs to the cycle of disciplines of free choice for post-graduate students to deepen knowledge in the specialty 051 "Economics" The study of the discipline is provided in the fourth semester.
Brief annotation of the course	Discipline "Macroeconomics III" is devoted to in-depth study of the theoretical foundations of modern macroeconomic analysis and practical aspects of using economic and mathematical models to determine the effectiveness of the national economy and the mechanism of its macroeconomic regulation. Considerable attention is paid to the application of modern methodology for studying long-term and short-term macroeconomic problems: the general balance and stability of the national economy, economic growth etc.
Aim and objectives of the course	The aim of the course is to expand theoretical knowledge about the features and effectiveness of open economic systems, as well as to acquire new practical skills in using modern methods and models of macroeconomic analysis to interpret the impact on national economy behavior of major foreign economic entities. perturbations.

	<p>In order to achieve this aim, the following goals are defined:</p> <ul style="list-style-type: none"> - to acquaint postgraduate students with modern tools of macroeconomic research; - to find out methodological approaches to the analysis of mechanisms of the organization of national economy and modeling of behavior of economic subjects; - to reveal the importance of macroeconomic equilibrium models in the modern analysis of the peculiarities of the functioning and dynamics of the open economic system; - demonstrate methods of analysis and evaluation of sources of economic growth, improving living standards in the country in the short and long term; - to carry out a comparative analysis of theoretical concepts on the main causes of macroeconomic instability and the recommended measures of economic policy to eliminate it.
<p>Literature</p>	<p>Main</p> <ol style="list-style-type: none"> 1. Romer D. Advanced Macroeconomics.- 3rd ed. New York: McGraw Hill, 2006.- 540 p. 2. Heijdra Ben J. Foundations of Modern Macroeconomics.- 2nd ed. New York : Oxford University Press; 2 edition, 2008.- 816 p. 3. Barro, R. J. and X. Sala-i-Martin, Economic Growth, MIT Press, 2004. 4. Blanchard and Fisher. Lectures on Macroeconomics. MIT Press, Cambridge, MA, 1989 5. Mankiw N.G. Macroeconomics / N. Gregory Mankiw. – Seventh edition. – New York: Worth Publishers, 2010. – 598 p. 6. Obstfeld M., Rogoff K. Foundations of International Macroeconomics. Cambridge, MA: MIT Press, 1996. - 830 p. 7. Panchyshyn S. Macroeconomics. – K.: Lybid, 2005. – 616 p. [in Ukrainian] 8. Radionova I. F. Macroeconomics-2 / I. F. Radionova, T. V. Burlai, Ye. V. Alimpiiev. K. : KNEU, 2009. 423 p. [in Ukrainian] <p>Additional</p> <ol style="list-style-type: none"> 1. Gali J. Monetary Policy, Inflation, and the Business Cycle, 2nd edition, University Press Group Ltd., 2015. 2. Ljungqvist, Lars, Sargent, Thomas J. Recursive macroeconomic theory. Fourth Edition. Cambridge, MA : MIT Press, 2018. – 1438 p. 3. Nancy L. Stokey and Robert E. Lucas. Recursive Methods in Economic Dynamics, Harvard University Press, 1989 4. Walsh C. E. Monetary Theory and Policy. The MIT Press, Cambridge, MA, 2003.


	<p>5. Woodford, M. Interest and Prices - Foundations of a Theory of Monetary Policy. Princeton University Press, Princeton, 2003</p> <p>6. Analytical Economy: Macroeconomics and Microeconomics / S. M. Panchyshyn, P.I. Ostroverkh (Editors). - 4-th edition. - L. : Apriori, 2020. - Book 1: Introduction to macroeconomics. Macroeconomics. - 648 p. [in Ukrainian]</p> <p>7. Burda M., Wyplosz Ch. Macroeconomics: European Context / Translation from English – K.: Osnovy, 1998. 682 p. [in Ukrainian]</p> <p>8. Mankiw G. Macroeconomics / Scientific editor of translation S. Panchyshyn. – K.: Osnovy, 2000. – 588 s. [in Ukrainian]</p> <p>9. Radionova I.F. Macroeconomics : Theoty and Policy – Kyiv: Takson, 2004. – 348 p. [in Ukrainian]</p> <p>10. Rokocha V. V. International Economics: in 2 books – K.: Takson, 2000-2003. – Book 2: Monetary Theory of International Economics, 2003. 302 p. [in Ukrainian]</p>
Course duration	3 credits, 90 hours.
The course lasts	<p>90 hours of them: 32 hours of lectures 16 hours of seminars 42 hours of independent work</p>
Expected learning outcomes	<p>After completing the course a post-graduate student should: know:</p> <ul style="list-style-type: none"> - modern theories and methods of macroeconomic analysis; - the content of scientific discussions in macroeconomics on the problems of application of economic policy measures and their impact on economic practice; - the main sources and methods of assessing the factors of growth of the national economy and improving the living standards of the people; - causes and forms of manifestation of the main signs of instability of the national macroeconomy - inflation, unemployment, recession; - mechanisms for achieving macroeconomic equilibrium at full employment. <p>be able to:</p> <ul style="list-style-type: none"> - assess the effectiveness of national economy and prospects for its development, using appropriate methods and models of analysis the dynamics of key macroeconomic indicators,; - model the processes of achieving macroeconomic equilibrium and its violation due to various

	<p>disturbances;</p> <ul style="list-style-type: none"> - identify the reasons for increasing macroeconomic instability and make recommendations on government measures aimed at eliminating it; - to carry out a qualitative and quantitative assessment of the impact of macroeconomic policy on the development of the national economy in the short- and long-run; - apply modern models of economic growth to assess the dynamics of national production and forecast living standards in the country. <p>As a result of studying the discipline, a graduate student acquires general and professional competencies ZK01, ZK05, SK01, SK13, which are manifested in the learning outcomes RN01, RN08, defined by the educational-scientific program.</p>
Course format	full-time, part-time
Topics	<p>Lecture topics:</p> <ol style="list-style-type: none"> 1. Introduction to macroeconomics III 2. Modern models of macroeconomic equilibrium in closed economy. 3. Macroeconomic equilibrium and stabilization policy in open economy 4. Aggregate supply and aggregate demand in theories of economic fluctuations. Modern models of business cycles. 5. Macroeconomic instability and problems of stabilization policy implementation 6. Inflation and monetary policy 7. Fiscal policy and public debt 8. Neoclassical models of growth and development of national economy 9. Economic growth models of Ramsey and Diamond. Endogenous theories of economic growth
Final control, form	4th semester - written exam
Prerequisites	Post-graduate students are expected to have program competencies acquired during the study of macro- and microeconomics, macroeconomic analysis (macroeconomics II) and microeconomic analysis (microeconomics II)
Teaching methods and techniques that will be used in the course	<p>Problem-search teaching method.</p> <p>Techniques for processing discussion questions.</p> <p>Oral questioning method.</p> <p>Individual research tasks.</p>

Required equipment	Multimedia projector, computer with Internet connection.																						
Evaluation criteria (separately for each type of educational activity)	<p>Evaluation is carried out in accordance with the Regulations on control and evaluation of educational achievements of students at Ivan Franko National University of Lviv (https://www.lnu.edu.ua/wp-content/uploads/2020/03/reg_education-results.pdf).</p> <p>A post-graduate student during the study of the discipline can score a maximum of 100 points, of which:</p> <ol style="list-style-type: none"> 1. participation in seminars ($6 \times 5 = 30$ points) (30%) 2. intermediate modular control (2 modular control works $\times 10$ points = 20 points) (20%) 3. exam - 50 points (50%). <table border="1" data-bbox="846 547 1429 954"> <thead> <tr> <th colspan="3">Grading scale for assessing post-graduate student performance</th> </tr> <tr> <th>ECTS grade</th> <th>Points</th> <th>Ukrainian evaluation</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>90-100</td> <td>excellent</td> </tr> <tr> <td>B</td> <td>80-89</td> <td rowspan="2">good</td> </tr> <tr> <td>C</td> <td>70-79</td> </tr> <tr> <td>D</td> <td>61-69</td> <td rowspan="2">satisfactorily</td> </tr> <tr> <td>E</td> <td>51-60</td> </tr> <tr> <td>FX</td> <td>0-50</td> <td>unsatisfactorily</td> </tr> </tbody> </table> <p>Academic integrity. Identification of signs of academic dishonesty is the basis for the instructor not to take into account the relevant tasks performed by the post-graduate student.</p> <p>The objects of current control of postgraduates' knowledge in the discipline "Macroeconomics III" are: 1) regularity and activity in lectures and practical classes; 2) performance of modular (control) tasks; 3) performance of independent (individual) tasks. When assessing the activity of a post-graduate student in practical classes, the following is taken into account: - the level of knowledge demonstrated through the answers at practical classes; - activity in discussions; - results of current control tasks. When assessing the performance of modular (control) tasks, the general level of theoretical knowledge and practical skills, acquired by post-graduate students during the studying the relevant content module, is taken into account. The final control is carried out in order to assess the acquisition by a post-graduate student the program learning outcomes, as well as general and special competencies, envisaged by the educational program and curriculum.</p> <p>Diagnostic tools. In order to test the level of knowledge and skills of the post-graduate student in the discipline, the following assessment tools are used: - for current control - oral examination, testing, solving problems and cases; - for intermediate control - conducting modular control, including testing, theoretical issues; - for the final control - conducting a written exam.</p> <p>Attendance is an important part of the learning process. All post-graduate students are expected to attend all lectures and practice classes. In any case, postgraduates are required to comply with all deadlines set for the performance of all types of written work and for fulfilling all the tasks of the current and intermediate control, required by the curriculum.</p>	Grading scale for assessing post-graduate student performance			ECTS grade	Points	Ukrainian evaluation	A	90-100	excellent	B	80-89	good	C	70-79	D	61-69	satisfactorily	E	51-60	FX	0-50	unsatisfactorily
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<p>Exam questions</p>	<ol style="list-style-type: none"> 1. General equilibrium and efficiency of the national economy. Fundamental approaches to the analysis of macroeconomic equilibrium. 2. Aggregate expenditures. Aggregate expenditures model as a tool for study of economic equilibrium. 3. Expenditures multiplier. The impact of foreign trade and the public sector on economic equilibrium. 4. Economic equilibrium in the long-run. 5. Functions of money. Money supply. Money multipliers. 6. Demand for money. Money market and its equilibrium. 7. Modern theories of demand for money. Baumol-Tobin theory of optimal cash management. 8. IS-LM model for closed economy. IS, LM curves and factors influencing their movement. 9. Aggregate demand in a closed economy. Construction of the aggregate demand curve using the IS-LM model. 10. Currency and its types. Demand and supply in the foreign exchange market. 11. Exchange rate and methods of its quotation. Types of exchange rates. Real exchange rate and terms of trade. Nominal and real effective exchange rates. 12. Features of macroeconomic equilibrium in open economy. Balance of payments and problems of its balancing. 13. Mundell-Fleming model of small open economy. Analysis of the impact of government policy on the equilibrium in a small open economy with floating and fixed exchange rates. 14. Tools for studying the impact of capital mobility on a small open economy. The BP curve and the factors that determine its slope. IS / LM / BP model in macroeconomic analysis. 15. Using the IS / LM / BP model to study the impact of monetary and fiscal policy on macroeconomic equilibrium under floating exchange rate. 16. Monetary and fiscal policy under fixed exchange rate in the model of macroeconomic equilibrium IS / LM / BP. 17. Long-run aggregate supply curve and its movement. 18. Theories of short-run aggregate supply. 19. Equilibrium of aggregate demand and aggregate supply in open economy. Classical and Keynesian approaches to explaining the mechanism of achieving macroeconomic equilibrium. Application of the AS-AD model. 20. Solow neoclassical model of economic growth. The concept of steady-state level of capital. The Golden Rule of capital accumulation. 21. Analysis of the impact of population growth on economic growth in the neoclassical model of R. Solow. 22. The impact of technological progress on economic growth in the neoclassical model of R. Solow. 23. Calculating the contribution of factors to economic growth. The concept of Solow residual and its calculation. 24. Assessment of economic growth dynamics in the transition to the steady state. 25. Absolute and relative convergence in theories of economic growth.
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	<p>26. Intertemporal optimization of consumer choice and producer behavior in Ramsey model of economic growth.</p> <p>27. Steady state, trajectories of change of indicators and rate of convergence in Ramsey model.</p> <p>28. Assumptions and features of the overlapping generations economic growth model (Diamond model).</p> <p>29. Study of the dynamics of the main macro indicators in the Diamond model.</p> <p>30. Review of endogenous growth models (AK model, Romer model, etc.).</p>
Survey	Survey of postgraduate students on the quality and effectiveness of the discipline is conducted using a questionnaire at the end of the course.

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