**MACROECONOMICS**

Prof. Gabriel Brondino

**Objectives**

The course has the purpose of introducing the students to:

* The study of the behaviour of macroeconomic aggregates
* The analysis of the relationship between the market for goods, financial markets and the labour market
* The use of simple yet rigorous macroeconomic models to assess economic policies
* The analysis of the European macroeconomic context, with special reference to the theory underlying the creation of the Euro and the macroeconomic dynamics following the 2009 crisis

**Expected learning outcomes**

By the end of this course, students will:

* Know the key categories of analysis in the realm of macroeconomics
* Be able to identify which model is required to explain different macroeconomic phenomena
* Be able to evaluate and judge interventions of governments and central banks
* Be capable of analysing the European macroeconomic context

**Course outline**

1. Part One
   1. Introduction: Macroeconomic aggregates
      1. Aggregate output
      2. The unemployment rate
      3. The inflation rate
      4. National income and product accounts
   2. The short run
      1. The goods market
      2. Financial markets I
      3. The *IS*-*LM* model
      4. Financial markets II: extending the *IS*-*LM* model
   3. The medium run
      1. The labour market
      2. The Phillips curve, the natural rate of unemployment and inflation
      3. The IS-LM-PC model
2. Part Two
   1. The long run
      1. The facts of growth
      2. Saving, capital accumulation and output
      3. Technological progress and growth
   2. Extension: the open economy
      1. Openness in goods and financial markets
      2. The goods market in an open economy
      3. Output, the interest rate and the exchange rate
   3. The European macroeconomic context
      1. How the European single currency evolved
      2. The Euro and economic policy in the Eurozone
      3. The theory of optimum currency areas
      4. The Euro crisis

**Course materials**

Required textbooks:

* Blanchard, O., Amighini, A., & Giavazzi, F. (2020). *Macroeconomia: Una prospettiva europea* (Nuova edizione). Il Mulino. Chapters 1-12, 17-19. [English edition available]
* Krugman, P., Obstfeld, M., & Melitz, M. (2019). *Economia internazionale 2: Economia monetaria internazionale*. Pearson. Chapters 10. [English edition available]

Optional textbooks:

* Boitani, A. (2019). *Macroeconomia* (Terza edizione). Il Mulino.
* De Grauwe, P. (2022). *Economia dell’unione monetaria* (Dodicesima edizione). Il Mulino. [English edition available]

**Teaching method**

The course consists of 60 hours of lessons spread over two semesters. Additionally, 12 hours of practical lessons are included to reinforce the learning of concepts and models studied.

**Student evaluation**

Students will be assessed with a final written exam. It is possible to take a partial written exam at the end of Part One. Students that pass this exam can complete the examination by taking a second written exam about Part Two. Each test weighs 50% in the final score.

All tests consist of theoretical and methodological questions and practical exercises.

The score consists of a mark out of 30.

Through the examinations, students must demonstrate knowledge about the main concept and models of macroeconomics and the key relationship between economic aggregates. The correct use of specific terminology, the structure of the argumentation and the discourse coherence, and the capacity to identify conceptual nexus and open problems are of utmost importance in the assessment.

**Notes**

* Attending is not mandatory but strongly encouraged.
* All materials produced during the course and further readings useful for the examination will be available online.
* Office hours are available upon request.