



APPLIES TO ACADEMIC YEAR 2016/2017

GRA 6634 Advanced Macroeconomics

Programme

Master of Science in Business, Master of Science in Business (Economics), Specialization Course

Responsible for the course

Alfonso Irarrazabal

Department

Department of Economics

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

Macroeconomics is the study of the economy as a whole. This course offers an introduction to advanced macroeconomic analysis. To this end, the course covers both theoretical models as well as empirical facts regarding a wide range of topics, from consumption and investment to economic growth and unemployment.

Learning outcome

The main objective is to give course participants an introduction to advanced macroeconomic theory. The course is also the preparatory course for doing further macroeconomic studies at the graduate level. It is a prerequisite for both GRA 6639 Business Cycles and GRA 6631 Monetary Policy and Financial Stability.

The course consists of three parts. The first deals with theories of consumption and investment. Important topics will include the permanent-income hypothesis, consumption based asset pricing and the Q-theory of investment. It also gives an introduction to quantitative macroeconomics. The second part deals with how economies grow and discuss the main determinants of long-run growth. Important models are the Solow model and the Ramsey-Cass-Koopmans model. Those models are confronted with data on cross-country income differences. The last part covers different theories of unemployment. The focus is on structural unemployment and important models are the efficiency wage, contracting and the search and matching model.

Prerequisites

All courses in the Masters programme will assume that students have fulfilled the admission requirements for the programme. In addition, courses in second, third and/or fourth semester can have specific prerequisites and will assume that students have followed normal study progression. For double degree and exchange students, please note that equivalent courses are accepted.

Compulsory reading

Books:

Krueger, Dirk. 2007. Quantitative macroeconomics : an introduction (Lecture notes). ch. 3-5. (Lecture notes).

Available at: <http://www.e-booksdirectory.com/details.php?ebook=2831>

Romer, David H. 2012. Advanced macroeconomics. 4th ed. McGraw-Hill/Irwin. 1-2,4, 8-9, 10 (selected sections)

Book extract:

Obstfeld, Maurice. Kenneth Rogoff. 1996. Foundations of international macroeconomics. MIT Press. Chapter 2 and 7 (selected sections)

Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination

Recommended reading

Course outline

Part I: Consumption and investment theories. Quantitative macroeconomics. Romer ch 8 and 9 (selected sections). Obstfeld-Rogoff section 2.5 (selected subsections). Krueger ch. 3-5.

Part II: Economic growth. Romer ch. 1-4 (selected sections) and Obstfeld-Rogoff ch. 7 (selected sections).

Part III: Unemployment. Romer ch. 10 (selected sections).

Computer-based tools

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 hours. Both lectures and exercise seminars are provided.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Examination

Written examination 3 hours

Form of assessment	Weight	Group size
Written examination 3 hours	100%	Individual

Specific information regarding student assessment will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several components of the overall assessment. Candidates may be called in for an oral hearing as a verification/control of written assignments.

Examination code(s)

GRA 66342 accounts for 100 % of the final grade in GRA 6634.

Examination support materials

BI approved exam calculator

Bilingual dictionary

Permitted examination support materials for written examinations are detailed under examination information in the student portal @bi. The section on support materials and the use of calculators and dictionaries should be paid special attention to.

Re-sit examination

It is only possible to retake an examination when the course is next taught. The assessment in some courses is based on more than one exam code. Where this is the case, you may retake only the assessed components of one of these exam codes. All retaken examinations will incur an additional fee. Please note that you need to retake the latest version of the course with updated course literature and assessment. Please make sure that you have familiarised yourself with the latest course description.

Additional information

Honour code. Academic honesty and trust are important to all of us as individuals, and are values that are integral to BI's honour code system. Students are responsible for familiarising themselves with the honour code system, to which the faculty is deeply committed. Any violation of the honour code will be dealt with in accordance with BI's procedures for academic misconduct. Issues of academic integrity are taken seriously by everyone associated with the programmes at BI and are at the heart of the honour code. If you have any questions about your responsibilities under the honour code, please ask. The learning platform itslearning is used in the teaching of all courses at BI. All students are expected to make use of itslearning.