UNIVERSITY OF MANAGEMENT AND ECONOMICS

ADVANCED MACROECONOMICS

Course code	*GRAE011*
Course title	*Advanced macroeconomics*
Type of course	*Compulsory*
Level of course	*Advanced*
Department in charge	*Graduate school*
Year of study	*1st*
Semester	*2nd*
Number of credits	*6 ECTS; 36 hours of class work, 124 hours of self-study, 2 hours of consultations (distant or direct form)*
Lecturer	*Assoc. Prof. Dr. Nerijus Mačiulis*
Course prerequisites	*Macroeconomics*
Form of studies	*Consecutive (evening)*
Teaching language	*English*

Objective of the course

This is applied course in macroeconomics, which focuses on contemporary issues and developments in global economy. The main aim of this course is to learn how to identify and analyse myriad factors affecting economic activity in both short and long term. Another important dimension of this course is the analysis of the reflexive relationship between macroeconomic developments, economic policy (both fiscal and monetary) and financial markets (asset prices).

Learning outcomes

On completion of this course successful students will be able to:

Course learning outcomes (CLO)	Study methods	Assessment methods
CLO1. Be able to indentify leading indicators of most macroeconomic variables	Lectures, discussion, individual presentation and report	Individual presentation and exam
CLO2. Understand the structure, dynamics and challenges of Lithuanian economy	Lectures, discussion, individual presentation, report	Individual presentation and exam
CLO3. Understand main factors behind different economic growth rates across the world and how governments can influence growth	Lectures, discussion, individual presentation and report	Individual presentation and exam
CLO4. Understand relationship between macroeconomic variables and financial markets	Lectures, discussion, individual presentation and report	Individual presentation and exam

Quality Assurance Measures

The lecturer will apply multiple interactive teaching methods to keep the students engaged in the topic (discussions, individual presentations and reports). Continuous student feedback will be encouraged and accommodated to continuously improve class experience.

COURSE CONTENT:

Date	Class	Topic
2024-01-31	1	**Introduction to the course. How to read, interpret and analyse economic data. How (not) to lie with statistics?**
2024-02-05	2	**Status of the global economy and financial markets. Contemporary issues in the global economy. Leading and lagging indicators**
2024-02-19	3	**Anatomy of economic crises – from global financial crisis and banking crisis of 2023. How to measure maturity of a business cycle?**
2024-02-21	4	**Euro area debt crisis. Fiscal austerity versus economic stimulus. Refexive relationship between economic recessions and financial crises**
		Student presentations: 1. Nowcasting GDP and alternatives to GDP 2. Government borrowing costs, modern monetary theory, monetization of debt 3. How to spot a residential real estate bubble?
2024-02-26	5	**Causes and consequences of 2022 inflation. Unconventional monetary policy. Monetary policy lags**
		Student presentations: 4. Short term leading indicators of consumer prices 5. Commercial real estate in high interest rate environment 6. National savings rate and household saving rate
2024-02-28	6	**Sustainability and overheating of small open economies**
		Student presentations: 7. Competitiveness of country X and Y 8. Leading indicators of wage growth 9. Leading indicators of household consumption
2024-03-04	7	**Economic growth, factors of productivity, factor accumulation. Solow growth model. Measuring productivity. Path of productivity**
		Student presentations: 10. Leading indicators of gross fixed capital formation 11. Employment, unemployment, and natural rate of unemployment 12. Natural rate of interest
2024-03-13	8	**Globalization and deglobalization. China – shifting prospects and global role**
		Student presentations: 13. High frequency indicators, alternative data 14. Yield curve and other leading indicators of recessions 15. Correlation between equity and bond returns: macroeconomic context
2024-03-18	9	**Course wrap up**
		Student presentations: 16. Macroeconomic impact of the euro adoption. Why some countries choose not to? 17. Economic effects of income inequality 18. Greenflation. Climateflation. Greedflation. Structural factors of inflation. 19. Comparing shadow economies of country X and Y 20. The value and price cryptocurrencies 21.
2024-04-03		**Final exam**

READINGS AND COURSE MATERIALS:

All necessary reading materials, including scientific publications, presentation slides and other materials will be made available on the e-learning system. Background books for this course are:

Olivier Blanchard (2009), *Macroeconomics,* 5th edition, Prentice Hall
Gillman, M. (2011), *Advanced modern macroeconomics.* Pearson.
Weil, David N. (2009), *Economic Growth*, 2nd ed. Pearson.
David Romer (2006), *Advanced Macroeconomics*, 3rd ed., Mc-Graw Hill

TEACHING METHODS:
The teaching will consist of lectures, discussions and debates. Students will have to prepare individual or a group (up to 2 students per group) report on selected economic topic and make a 15–20-minute presentation, which will be followed by questions and discussion. Report on presented topic (1-2 pages) should be sent by email to the lecturer by the end of the final lecture. At the end of each lecture 15 minutes are reserved for consultations on reports and presentations.

ASSESSMENT METHODS:

Method	Percent of course grade
Report and presentation	30
Participation	10
Final exam	60
Total:	100

ADDITIONAL NOTES:
In case of a negative final grade, students are allowed a re-sit exam. It will cover all course material. The weight of a re-sit is 60% of the final cumulative grade. Evaluation for report and class participation is not annulled. Students have to adhere to deadlines, as no extensions will be granted.

Special learning outcomes	
S1. Demonstrate knowledge and understanding of contemporary theories, their criticism and applications in the research field of financial economics; apply the modern theory of finance and economics in practice;	CLO1, CLO2, CLO3, CLO4
S2. Integrate theoretical knowledge of financial economics to develop, apply and implement original research ideas in the fields of financial management, investment management, financial risk management and financial engineering	
S3. Analyse and critically evaluate the behaviour of national and international financial markets and institutions, investment environment of the company, financial engineering tools, the impact of fiscal and monetary policy to formation and management of organizations' financial flows;	CLO1, CLO4
S4. Analyse and assess both micro- and macroeconomic environment of private and public organizations in financial-decision making;	
S5. Evaluate, choose, and systemically apply advanced mathematical statistics methods and advanced econometric models and techniques in solving complex problems of corporate finance, the management of financial markets and financial economics;	CLO1, CLO4
S6. Express independent opinion, formulate judgments and knowledge-based conclusions on relevant issues in financial economics, including international professional and academic literature	CLO1, CLO2, CLO3, CLO4
S7. Conceptualize, research and write a state of the art review of a chosen area of financial economics and analyze empirical data on the phenomenon under investigation; be able to evaluate the appropriateness of the use of social science research methods, both qualitative and quantitative, including a number of different econometric tools, in a particular context.	CLO1
General learning outcomes	
G1. To apply modern information technologies in the data gathering, analysis and communication.	CLO1
G2. To apply a systematic, critical-analytical and constructive thinking in problem identification and solving.	CLO1
G3. Have abilities to communicate in English the knowledge to specialist and non-specialist audiences clearly and unambiguously.	CLO1, CLO2, CLO3, CLO4
G3. Develop a range of personal skills including argumentation, evaluation, problem identification and solving, interactive and group skills, self-appraisal, cross-cultural teamwork.	CLO1, CLO2, CLO3, CLO4
G4. To prepare research papers in English according to proper language, writing style and general bibliographic citation requirements.	CLO1
G5. To develop independent learning skills necessary to continue studies on a higher level.	