



COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Macroeconomics I/III	

Academic staff	Core academic unit(s)
Coordinating: Assistant. Prof. Dr Singh Devesh Other:	Vilnius University, Faculty of Economics and Business Administration

Study cycle	Type of the course unit
First cycle	Compulsory

Mode of delivery	Semester or period when it is delivered	Language of instruction
Face to face	2nd semester, spring	English

Requisites	
Prerequisites: Mathematical Methods	Co-requisites (if relevant):

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	130	64	66

Purpose of the course unit		
<p>To provide knowledge about the macroeconomic systems, giving them an understanding of the interdependency between key economic variables and a set of tools enabling them to undertake systematic macroeconomic analysis. Upon completion of this course, students will gain the capability to:</p> <p>Understanding of macroeconomic systems and the way they work.</p> <p>Ability to analyse macroeconomic phenomena in the real world.</p> <p>Understanding the policy implications and key macroeconomic models.</p>		
Learning outcomes of the course unit	Teaching and learning methods	Assessment methods
Chapter 1 and 2, On completing the chapter/s, students will be able to understand: <ul style="list-style-type: none"> •How can we compare incomes between countries? •How do we measure the real growth of production? •How do we measure inflation? •Where do goods and services come from, and how are they used? 	Lecture, active learning methods (situation analysis, group discussion, task completion), research methods (information search, analysis and synthesis, problem solving).	The compulsory and supplementary literature, case study (assignments provided by the lecturer), and the Exam
Chapter 3, On completing the chapter/s, students will be able to understand: <ul style="list-style-type: none"> •A basic understanding of the determinants of national income (in the short and long run, as well as in open and closed economies). 	Lecture, active learning methods (situation analysis, group discussion, task completion), research methods (information search, analysis and synthesis, problem solving).	The compulsory and supplementary literature, case study (assignments provided by the lecturer), and the Exam
Chapter 4, On completing the chapter/s, students will be able to understand macroeconomic systems:	Lecture, active learning methods (situation analysis, group discussion,	The compulsory and supplementary literature,

•A basic understanding of principles and knowledge of current topics of macroeconomic policy.	task completion), research methods (information search, analysis and synthesis, problem solving).	Presentation assignments, and Exam
Chapter 5 , On completing the chapter/s, students will be able to understand: •How do central banks react to shocks/uncertainty? •How should a central bank set a short-term interest rate based on inflation and economic activity? •Are government finances under control? •How does lower tax affect the country?	Lecture, active learning methods (situation analysis, group discussion, task completion), research methods (information search, analysis and synthesis, problem solving).	The compulsory and supplementary literature, Presentation assignments, and Exam
Chapter 6 , On completing the chapter/s, students will be able to understand: •The relation between the budget deficit and the current account deficit. •Does a current account deficit lead to depreciation of the currency?	Lecture, Active learning methods (group discussion, task completion), research methods (information search, analysis and synthesis, problem solving).	The compulsory and supplementary literature, oral presentation task assignment, and Exam
Chapter 7 , On completing the module, students will be able to understand : •How do economies expand over time? • Analyse and predict the behaviour of financial markets and the economy.	Lecture, Active learning methods (group discussion, task completion), research methods (information search, analysis and synthesis, problem solving).	The compulsory and supplementary literature, the Oral presentation task assignment, and the Exams
Chapter 8 , On completing the module, students will be able to understand: •What drives the business cycles? •How long do business cycles last? •Understanding of theoretical tools to understand the modern business cycle.	Lecture, active learning methods (situation analysis, group discussion, task completion), research methods (information search, analysis and synthesis, problem solving).	The compulsory and supplementary literature, oral presentation task assignment, and Exam

Content	Contact hours							Individual work: time and assignments	
	Lectures	Tutorials	Seminars	Workshops	Laboratory work	Internship	Contact hours, total	Individual work	Tasks for individual work
Chapter 1 Introduction • The foundation of economic growth. • Measuring macroeconomic data. • Concept of the short and the long run in macroeconomics.	2						2	6	Nils Gottfries, Chapter 1
Chapter 2 • Flow of goods and services in the economy. • Savings, investment, and the current account. • Comparison of income between countries. • Measure real growth of production • Inflation measurement. • The classical model of production in the long run.	4		5				9	8	Nils Gottfries, Chapter 2

Chapter 3 Macroeconomics in the short-run and long-run <ul style="list-style-type: none"> • Money and inflation in the long run. • The open economy in the long run. • The open economy in the short run, IS, LM and MP curve • Aggregate demand in the short run. • Monetary policy in the short run. 	4		5				9	8	Jones, C. Chapters 11 and 12 Olivier Blanchard. Chapter 5
Chapter 4. Special cases <ul style="list-style-type: none"> • The great recession and the pandemic recession. • Macroeconomic policy in open economies. 	4		3				7	8	Olivier Blanchard. Chapter 1 Nils Gottfries, Chapter 1
Chapter 5. Macroeconomic Policy <ul style="list-style-type: none"> • Efficient policy frontier, Taylor curve. • Macroeconomic policy under uncertainty, theoretical considerations. • Sustainable government finances. • Money Demand, Money Supply, and the Equilibrium Interest Rate. • Ricardian equivalence. 	4		5				9	8	Olivier Blanchard, Chapter 4 Nils Gottfries, Chapter 11
Chapter 6 International Financial System <ul style="list-style-type: none"> • Exchange rate and monetary union. • Real and nominal interest rates in the open economy. • The current account and the real exchange rate. • How integrated are world financial markets? 	4		5				9	8	Nils Gottfries, Chapter 4, 13
Chapter 7 Economic Growth Theories <ul style="list-style-type: none"> • Classical Growth Theory. • Neoclassical Growth Theory. • Endogenous Growth Theory. 	4		4				8	10	Jones, C. Chapter 10
Chapter 8 Business cycles <ul style="list-style-type: none"> • The trend and the cycle. • A linear trend. • The Hudrick-Prescott filter. • Introduction to the New Keynesian model of the business cycle. 	4		4				8	10	Nils Gottfries, Chapter 16
Preparation for the midterm exam, midterm exam		1					1		
Consultation		2					2		
Total	30	3	31				64	66	

Assessment strategy	Weight %	Deadline	Assessment criteria
Completion of tasks (case analysis, analysis of the situation, problem-solving task), group work, and participation in discussions.	15%	During the seminar in February month	Individual/group assignments (practical assignments and tasks). Assessment criteria: 10 points. Questions answered comprehensively, summarised knowledge demonstrated, insights from theoretical literature used, ability to evaluate critically demonstrated, and tasks completed correctly. 9 points. The essence of the questions was revealed, summarised knowledge was demonstrated, reasons were explained, and tasks were completed correctly. 8 points. Demonstrated coherent knowledge and understanding: essential parts are linked and integrated into a whole, tasks are completed with minor errors. 7 points. Multi-structured knowledge demonstrated: focus

			<p>on several important aspects, but not all of them are properly linked, and tasks are completed with errors.</p> <p>6 points. Demonstrated multi-structured knowledge: focused on several important aspects, but they are not linked together, and tasks are completed with errors.</p> <p>5 points. Demonstrated single-structured knowledge: answers focused on one aspect, answers based on listing facts, and tasks are completed with errors.</p> <p>4–0 points. Minimum requirements not met, inappropriate or incorrect facts used, incorrect answers or no answers to questions, tasks not completed.</p> <p>The number of points scored by the student is multiplied by 15%.</p>
PPT Presentation	20%	During the seminar in March month	<p>The presentation consists of group assignments in two parts: (1) Presentation – 10%, and (2) Active participation 10%. The presentation assessment criteria are the following: clear presentation of the ideas, the quality of argumentation and conclusions, and the quality of visually presented materials. Active participation refers to raising questions, joining the discussion. The quality of raised questions and arguments in a discussion.</p> <p>Individual/group assignments (practical assignments and tasks). Assessment criteria:</p> <p>10 points. Questions answered comprehensively, summarised knowledge demonstrated, insights from theoretical literature used, ability to evaluate critically demonstrated, and tasks completed correctly.</p> <p>9 points. The essence of the questions was revealed, summarised knowledge was demonstrated, reasons were explained, and tasks were completed correctly.</p> <p>8 points. Demonstrated coherent knowledge and understanding: essential parts are linked and integrated into a whole, tasks are completed with minor errors.</p> <p>7 points. Multi-structured knowledge demonstrated: focus on several important aspects, but not all of them are properly linked, and tasks are completed with errors.</p> <p>6 points. Demonstrated multi-structured knowledge: focused on several important aspects, but they are not linked together, and tasks are completed with errors.</p> <p>5 points. Demonstrated single-structured knowledge: answers focused on one aspect, answers based on listing facts, and tasks are completed with errors.</p> <p>4–0 points. Minimum requirements not met, inappropriate or incorrect facts used, incorrect answers or no answers to questions, tasks not completed.</p>
Oral Presentation	20%	During the seminar in April month	<p>Students have to read and understand the international newspaper article related to the Global Economy and give an oral presentation. This task will evaluate the student's economic literacy and understanding of macroeconomics in the real world.</p> <p>10 points. Questions answered comprehensively, summarised knowledge demonstrated, insights from theoretical literature used, the ability to evaluate critically demonstrated, and tasks completed correctly.</p> <p>9 points. The essence of the questions was revealed, summarised knowledge was demonstrated, and reasons were explained, and tasks were completed correctly.</p> <p>8 points. Demonstrated coherent knowledge and understanding: essential parts are linked and integrated into a whole, tasks are completed with minor errors.</p> <p>7 points. Multi-structured knowledge demonstrated: focus</p>

			<p>on several important aspects, but not all of them are properly linked, and tasks are completed with errors.</p> <p>6 points. Demonstrated multi-structured knowledge: focused on several important aspects, but they are not linked together, and tasks are completed with errors.</p> <p>5 points. Demonstrated single-structured knowledge: answers focused on one aspect, answers based on listing facts, and tasks are completed with errors.</p> <p>4–0 points. Minimum requirements not met, inappropriate or incorrect facts used, incorrect answers or no answers to questions, tasks not completed.</p> <p>The number of points scored by the student is multiplied by 20%.</p>
Written Exam	45%	During the seminar in May month	<p>The assessment consists of 5–10 questions (closed and open questions of varying difficulty, ranging from comprehension to assessment of skills) and/or 3–5 tasks (practical tasks and/or other tasks); the assessment score is indicated for each task. Assessment is as follows:</p> <p>10 points. Questions answered comprehensively, summarised knowledge demonstrated, insights from theoretical literature used, ability to evaluate critically demonstrated, and tasks completed correctly.</p> <p>9 points. The essence of the questions was revealed, summarised knowledge was demonstrated, reasons were explained, and tasks were completed correctly.</p> <p>8 points. Demonstrated coherent knowledge and understanding: essential parts are linked and integrated into a whole, tasks are completed with minor errors.</p> <p>7 points. Multi-structured knowledge demonstrated: focus on several important aspects, but not all of them are properly linked, and tasks are completed with errors.</p> <p>6 points. Demonstrated multi-structured knowledge: focused on several important aspects, but they are not linked together, and tasks are completed with errors.</p> <p>5 points. Demonstrated single-structured knowledge: answers focused on one aspect, answers based on listing facts, and tasks are completed with errors.</p> <p>4–0 points. Minimum requirements not met, inappropriate or incorrect facts used, incorrect answers or no answers to questions, tasks not completed.</p> <p>The number of points scored by the student is multiplied by 45%.</p>

A student's knowledge and skills are assessed during the exam session only when he/she have fulfilled the requirements for the assessments and completed all tasks during the semester. Failure to complete the tasks within the specified time will result in a 2-point reduction in their grade. The student's knowledge and skills are assessed with grades from 1 to 10. The course has been passed if:- The results of all tasks and exams are at least 5.

- The examination grade is at least 5. The results of the midterm exam are published in the MOODLE (<https://emokymai.vu.lt/>). The final grade for the subject is published no later than 10 days after the examination (MOODLE, <https://emokymai.vu.lt/>). The use of AI generative models is prohibited in the learning process when performing tasks. AI generative models cannot be used for the completion of a task. Use of mobile phones will be prohibited in the final Exam. For the external examination, the following formula is applied: Tasks – 40%, submitted no later than 2 weeks before the agreed exam date. Exam – 60%, taken on the agreed date.

Author (-s)	Publishing year	Title	Issue of a periodical or volume of a publication	Publishing house or web link
Required reading				
Nils Gottfries	2013	Macroeconomics	13th	Palgrave Macmillan
Olivier Blanchard	2021	Macroeconomics	8th Global Edition.	Pearson Education Limited

Abel, A. B.,Bernanke, B. S.;Croushore, D.	2017	Macroeconomics	9th ed., global ed.	Pearson Education Limited
Jones, C. ‘’, International student edition (2024, or 2020)	2020	Macroeconomics	5th edition International student edition.	W. W. Norton & Company
Recommended reading				
International newspapers	Current year	Global news	Global news section	Financial Times, Economic Times, The Economist, Business Standard