

NAME OF THE COURSE		Macroeconomics II				
Code	EUA106	Year of study	1.			
Course teacher	Lena Malešević Perović, Associate professor Bruno Ćorić, Associate professor	Credits (ECTS)	5			
Associate teachers		Type of instruction (number of hours)	L	S	E	F
			26		26	
Status of the course	Obligatory	Percentage of application of e-learning	30%			
COURSE DESCRIPTION						
Course objectives	The main course objective is to enable students to use IS-LM model augmented with expectations, as well as IS-LM model of the open economy (Mundell-Fleming model), and apply them in the analysis of the implications of expectations and openness on the effects of economic policy.					
Course enrolment requirements and entry competences required for the course	Course signature requirements: as determined by the Statute of the Faculty of Economics and Rules and Regulations for Studies and Study Programmes. Entry competencies: English language proficiency level B2-C1 (CEFR).					
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	<ol style="list-style-type: none"> To analyse the impact of fiscal and monetary policy measures on GDP and interest rates using augmented IS-LM model that includes expectations To identify problems with the conduct of economic policy, the role of public debt and economic expectations To analyse the impact of fiscal and monetary policy measures on GDP and interest rates in the cases of fixed and fluctuation exchange rates using Mundell-Fleming model To analyse problems of conducting economic policy in the presence of economic depressions and hyperinflations 					
Course content broken down in detail by weekly class schedule (syllabus)	Week	Lectures		Exercises:		
		Topic	Hours	Topic	Hours	
		1	Expectations: nominal and real interest rate, expected present discounted values	2	Nominal and real interest rate, expected present discounted values: examples and exercises	2
		2	Financial markets and expectations: yield curve, economic activity and stock market	2	Yield curve, economic activity and stock market: examples and exercises	2
		3	Expectations, consumption and investment	2	Consumption and investment: examples and exercises	2
		4	Augmented IS-LM model: expectations and effects of monetary and fiscal policy	2	Expectations and effects of monetary and fiscal policy: examples and exercises	2

2021./2022.

01/03/22 – 9. Sj. FV

	5	Openness in goods and financial markets: exchange rate, interest rate parity	2	Exchange rate, interest rate parity: examples and exercises	2
	6	The goods market in an open economy: determinants of demand for domestic goods and trade balance	2	Effects of exchange rate changes, and domestic and foreign shocks on output and trade balance: examples and exercises	2
	7	Mundell-Fleming model:	2	Effects of economic policy on output, interest rate and exchange rate in an open economy: examples and exercises	2
	8	1 st midterm test	2	1 st midterm test	2
	9	Exchange rate regimes	2	Exchange rate regimes, currency areas and dollarization in practice: examples and exercises	2
	10	Depressions and slumps: deflation and liquidity trap	2	Depressions and slumps: examples and exercises	2
	11	High inflation: deficit financing, seigniorage, hyperinflation and stabilisation programme	2	Hyperinflation and stabilisation programmes: examples and exercises	2
	12	Problems and restraints of economic policy: uncertainty, credibility, time inconsistency	2	Uncertainty, credibility, time inconsistency: examples and exercises	2
	13	Monetary policy: a summing up: optimum inflation rate, monetary policy in practice	2	Costs and benefits of inflation, monetary policy instruments: examples and exercises	2
	14	Fiscal policy: a summing up: government budget constraint public debt, issues in fiscal policy	2	The arithmetic of deficits and debt: examples and exercises	2
	15	2 nd midterm test		2 nd midterm test	

Format of instruction	<input checked="" type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input checked="" type="checkbox"/> exercises <input type="checkbox"/> <i>on line</i> in entirety <input checked="" type="checkbox"/> partial e-learning <input type="checkbox"/> field work		<input type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> (other)												
Student responsibilities	The student is obliged to regularly attend classes and fulfil given assignments. In the course of semester the minimum required attendance is 9 out of 13 lectures.														
Screening student work (<i>name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course</i>)	Class attendance	1,5 ECTS	Research		Practical training (activity during the semester)	0,5 ECTS									
	Experimental work		Report		(Other)										
	Essay		Seminar essay		(Other)										
	Tests	2*0,5 ECTS	Oral exam	2 ECTS	(Other)										
	Written exam	1 ECTS	Project		(Other)										
Grading and evaluating student work in class and at the final exam	<p>During the semester, 4 self-evaluation tests will be organised via Moodle platform. Each of these tests will comprise of 6 multiple-choice questions, which refer to those chapters that have been covered in the lectures. These tests will not be graded. However, students are required to take each of these tests and pass (i.e. get a minimum of 50%) at least one of them in order to be able to take the written exam at the end of the semester.</p> <p>Two graded tests will also be organized during the semester (in weeks 8 and 15), whereby the second one can be taken only under the condition that the first one is passed successfully (minimum is 50%). Two tests are equivalent to the written exam. After passing either tests (by achieving the minimum of 50% points at each test) or the written exam (by achieving the minimum of 50% of points at the written exam), a student can (has to) take the oral exam.</p> <p>The final grade is formed as the sum of:</p> <ul style="list-style-type: none"> - The average grade achieved at the tests, or the grade achieved at the written exam, multiplied by 0.2, and - The grade achieved at the oral exam multiplied by 0.8 <p>Grades (1-5) for the tests and the written exam:</p> <table style="width: 100%; border: none;"> <tr> <td>fail (1)</td> <td>1-49%</td> </tr> <tr> <td>pass (2)</td> <td>50–65%</td> </tr> <tr> <td>good (3)</td> <td>66-75%</td> </tr> <tr> <td>very good (4)</td> <td>76-85%</td> </tr> <tr> <td>excellent (5)</td> <td>86-100%</td> </tr> </table>					fail (1)	1-49%	pass (2)	50–65%	good (3)	66-75%	very good (4)	76-85%	excellent (5)	86-100%
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Required literature (available in the library and via other media)	Title			Number of copies in the library	Availability via other media										
	Blanchard, O. (2011): Macroeconomics, New Jersey, 5 th edition, Prentice Hall														
	Authorised materials on Moodle platform														
	Blanchard, O. (2021): Macroeconomics, 8th edition, MIT, Pearson														

Optional literature (at the time of submission of study programme proposal)	<p>Mankiw, G. (2008): Macroeconomics, New York, Worth Publishers</p> <p>Ćorić, B.; Šimić, V. (2021) Economic disasters and aggregate investment, <i>Empirical economics</i>, 61, 6; 3087-3124</p> <p>Ćorić, B. (2020), Inflation and Output Volatility: Evidence from International Historical Data, <i>Cesifo economic studies</i></p> <p>Malešević Perović, L. (2020): Transmission of Fiscal Spillovers on Interest Rates in EMU, <i>Ekonomický časopis</i>, 68, 9, 939-962</p> <p>Malešević Perović, L.; Mihaljević Kosor, M. (2020): The Efficiency of Universities in Achieving Sustainable Development Goals, <i>Amfiteatru Economic</i>, 22, 54; 516-532.</p> <p>Other: Penn World Table (https://www.rug.nl/ggdc/productivity/pwt/) Eurostat (http://ec.europa.eu/eurostat) World Development Indicators (https://data.worldbank.org/products/wdi) World Bank www.worldbank.org International Monetary Fund www.imf.org</p>
Quality assurance methods that ensure the acquisition of exit competences	<ul style="list-style-type: none"> • Registering students' attendance and success in carrying out of their duties (lecturer). • Monitoring lectures and practice sessions (Vice Dean for Education). • Students' Performance analysis in each course (Vice Dean for Education). • Student questionnaire on the quality of lecturers and lessons for each course (University of Split, Quality Assurance Centre) • Examination is used as an instrument to evaluate individual course outcomes by the course lecturer. The content of exam is reassessed periodically in order to assure compliance with the course outcomes.
Other (as the proposer wishes to add)	