

MACROECONOMICS 1

COURSE LEVEL: Bachelor

ECTS CREDITS: 6 ECTS

COURSE COORDINATOR: Aleksandar Kešeljević Ph.D.
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COURSE GOALS:

- To develop fundamental knowledge of macroeconomic analysis and policy in the institutional framework of the EU
- To develop an understanding of the underlying economic logic of the workings of a mixed economy and the ways in which macroeconomic problems are resolved
- To develop a level of theoretical thinking and application of the fundamental knowledge in an analysis of equilibrium and changes in the national economy
- To develop the ability to apply positive knowledge in the analysis of measures and positions of economic policy-makers.

COURSE CONTENT:

1. Basic economic institutions. Macroeconomic problems and public choice.
2. Macroeconomic processes and national income accounting. Economic and social welfare. Sustainable development.
3. Macroeconomic model of full employment. Three markets. AS/AD model. General equilibrium.
4. Macroeconomic model of unemployment. Keynesian model. IS/LM model. Disequilibrium.
5. Money and banking system. Money instruments and politics. EU monetary system.
6. Fiscal system and politics. Automatic fiscal policy and balanced budget. EU and fiscal federalism.
7. International markets. Exchange rate mechanisms. Exchange rate and balance of payments. EU and euro.
8. Economic problems and EU: economic growth and productivity, business cycles, unemployment, inflation.
9. Economic policy. Tools and instruments. Different approach to solve economic problems. EU and efficiency of macroeconomic policies.
10. Use economic reasoning. Different macroeconomic schools and theories.

COURSE WORK PLAN:

- The course shall include 3 hours of lectures and 2 hours of seminar. The lectures will include guest appearances by visiting experts from Slovenia and abroad.
- The exercise allows reviewing and recapitulating the fundamental categories and models. The seminars are intended to review and recap the theoretical part of the course and to discuss selected

issues from the macroeconomic policy of Slovenia, EU, and other countries.

- Teams A and B will compete in a public debate ("pro et contra" discussion). Team A shall advocate the thesis (the government side) and Team B shall take the opposing side (the opposition). Debate grades shall also be valid in all subsequent academic years.
- In agreement with the professor a special group of students called "Top 20" shall be formed to address the current social economic problems and dilemmas of the modern world.
- Mid-term exams: One mid-term exam shall be held, covering the contents discussed at the lectures and seminars (in April 2012). Mid-term exam grades shall also be valid in all subsequent academic years.

COURSE GRADE SYSTEM: The final grade shall consist of: written exam (80%), pro et contra debate (10%), mid-term exam (10%).

Grading scale: Positive grade from 50% to 100%: 50% - 59% (adequate, 6); 60% - 69% (satisfactory, 7); 70% - 79% (well, 8); 80% - 89% (very well, 9); 90% - 100% (excellent, 10)

Condition to pass: written exam minimum 40 points.