

# Macroeconomics

Module 1, 2021-2022

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## Course description

The core of this course is macroeconomic models (AD-AS/AA-DD), as well as open economy and central bank policy. The course does not require advanced calculus.

## Course requirements, grading, and attendance policies

Statistics, mathematics.

The course grade is based on home assignments (30%), cases (20%) and final exam (50%).

## Course contents

Week	Date	Topic	Reading
1		<b>Introduction and national income accounting.</b> 1. GDP, inflation, unemployment 2. Trend and deviations	[1]
2		<b>Economic growth: the Solow model and beyond</b> 1. Trend growth 2. Solow model without technology	[2]
3		<b>Open economy in the long-run</b> 1. Exchange rates 2. Trade and capital flows 3. Shocks and their impact	[3], [7]
4		<b>Money market and inflation</b> 1. Money creation 2. Inflation and money growth 3. Banks' assets and liabilities	[4]
5		<b>Economy in the short-run</b> 1. AD-AS/IS-LM/AA-DD model 2. Equilibrium in the markets 3. Shocks and their impact	[5]
6		<b>Macroeconomic policy in developed countries</b> 1. Taylor rule 2. Inflation targeting	[6], [8]
7		<b>Macroeconomic policy in developing countries</b> 1. Inflation stabilization 2. Financial crises	[6]

## Course materials

1. Mankiw "Macroeconomics", Chapters 1-3
2. Mankiw "Macroeconomics", Chapters 7.1, 8.1-8.3
3. Mankiw "Macroeconomics", Chapter 5

4. Mankiw "Macroeconomics", Chapters 4, 18.1
5. Mankiw "Macroeconomics", Chapters 9 and 10-12
6. Mankiw "Macroeconomics", Chapter 14
7. Case "South Korea"
8. Case "Quantitative easing"

### **Academic integrity policy**

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Cheating, plagiarism, harassment, and any other violations of academic ethics at NES are not tolerated.