

AUC Course Manual, Spring 2024

Course Name	Advanced Macroeconomics
Course #	900333SSCH
Credits	6 ecp
Timeslot	Monday 11.00-12:30 & Thursday 16:00-17:30
Prerequisite(s)	Fundamentals of Microeconomics (900236SSC) and Macroeconomics (900237SSC).
Lecturer(s)/Coordinator	<u>Lia van Wesenbeeck</u> , Wei Li.
Course Content	<p>The global macroeconomy is in turmoil: countries are facing disruptions in (global) supply and enduring effects of war, climate change, and inflation. What can be learned from earlier experiences and from the theoretical and empirical literature on fiscal, structural, and monetary policy to guide policy makers? Is fiscal stimulus effective or wanted to counter supply shocks? Do monetary policy makers have the tools to bring inflation back to their target levels? Is a larger role for the government needed to face future challenges? Are current levels of government debt too high to ask for more public investment? What policy makers believe are the answer to these questions will shape their response to the current economic turmoil and future needs.</p> <p>Besides getting exposed to theoretical foundations of modern macroeconomics, you will engage with the material by providing a presentation on a specific topic using appropriate theoretical and empirical material. You will learn the basics tools needed to write a policy brief aimed at national or EU policy makers concerned with fiscal, monetary, or structural policy. You will engage actively with theory and practice through weekly problem sets and reading assignments.</p>
Learning Outcomes	<p>After successfully completing the course,</p> <ol style="list-style-type: none"> 1. You can identify the main findings of economic research papers and evaluate their quality and usefulness for policy.

	<ol style="list-style-type: none"> 2. You can effectively use findings from economic research to assess the impacts of macroeconomic policy on short-and long-run economic developments. 3. You can effectively use findings from economic research to advocate for or against a specific reform of macroeconomic policy. 4. You have gained knowledge and understanding of theoretical arguments concerning economic policies based on theories and models. 5. you can demonstrate your knowledge and understanding of concepts related to the identification of causal effects in empirical macroeconomic research by discussing and evaluating the identification strategy used in macroeconomic research papers. 6. You can formally analyze the implications of varying the assumed parameters or exogenous inputs of relatively simple macroeconomic models. You can reflect on the extent to which your existing knowledge and understanding enables you to evaluate macroeconomic policies.
Contribution to the general learning outcomes; select from Academic Standards and Procedures (OER), section 2.3. Indicate number.	<p>1 a. b. c. Knowledge You will achieve a deeper understanding of the scientific explanations and policy recommendations offered by macroeconomics to stimulate growth and to deal with fluctuations and crisis. In the course Fundamentals of Macroeconomics you already learned about the main insights of macroeconomics, without presenting all the details of the underlying models. In this course, you will develop abilities to modify existing models in order address new research and policy questions. You will develop an awareness of the strength and limitations of macroeconomics and its ability to contribute to solving some of the economic challenges facing today's society.</p> <p>2 a. b. c. d. Academic Skills You will improve your analytic and problem-solving skills as well as your mathematical skills through challenging assignments. You will strengthen your critical thinking skills by developing careful arguments in writing assignments and through participation in formal debates. You will improve your ability to work collaboratively on a research project by developing a policy brief.</p> <p>4 a. Learning Skills</p>

	<p>You will practice your ability to obtain, organize, and evaluate information when preparing for formal debates.</p> <p>5 a. b. Communication Skills</p> <p>You will practice your ability to express yourself in writing through several writing assignments, and verbally through participating in roundtables and presentation of a policy brief.</p>
Form(s) of Instruction	class meetings/lectures, roundtables, workgroups, guest lectures. Additional material includes knowledge clips online.
Assessment	<ul style="list-style-type: none"> - 1st exam (25%, LO2,4,6) - 2nd exam (25%, LO2,4,6) - Weekly assignments (5 times 4 credits, 20%, LO6) - Round tables (group, 2 times 5 credits, 10%, LO1,3). Three Round Tables are planned, each student has to prepare 2 out of 3 - Presentation of paper (20%, LO5)
Main Course Sources	<ul style="list-style-type: none"> - The textbook is Garín, Lester, and Sims, 2021, 'Intermediate Macroeconomics', an open source online textbook that can be downloaded through Canvas, GLS Intermediate Macro.pdf (juliogarin.com). - Other materials relevant to the course will be published on Canvas, including readings from academic journals, think tanks, journals, magazines, newspapers and blogs. We also provide notes, slides and/or videos on important theoretical models and empirical approaches. - Optional books include McDowell, Thom, Pastine, Frank, Bernanke (2012) Principles of Economics, 3rd European Edition, McGraw Hill; Angrist, J. and Pischke, J-S. (2015), Mastering Metrics: The Path from Cause to Effect, Princeton University Press.
Visits and Excursions	There are no excursions or visits. There are two guest lectures planned.
Course Adjustments	The course has been completely overhauled; the current course is much more in tune with modern approaches to Macroeconomics and covers a

	broader spectrum of models as well as policy implications.
Use of generative AI (like ChatGPT) by students	Allowed for final editing of papers and prompting for broad research ideas. Not allowed if presented as own ideas or own work. Hence, students should specify how AI is used in their assignments.
Contact Information Lecturer	Lia van Wesenbeeck, Vrije Universiteit, De Boelelaan 1105, 1081 HV, room 10A84, 020-5989321, c.f.a.van.wesenbeeck@vu.nl.

Weekly Programme

Week	Date	Subject	General reading questions and topics for discussion	Readings (chapter textbook, articles, web resources, page count per week*	Assessments and deadlines
1 a	5/2	Introduction	Can macroeconomics be a science? Why is it difficult?	Chapter 1,2 and 4 of 'Intermediate Macroeconomics' by Garín, Lester, and Sims, 2021	None
1 b	8/2	Review of macro	What are the basic macro data?	None	None
2 a	12/2	Solow	What are the elements of a key model in macroeconomics?	Chapter 5 of 'Intermediate Macroeconomics' by Garín, Lester, and Sims, 2021	Assessment 1
2 b	15/2	Tutorial Solow	Learn to work with the Solow model	None	Assessment 2
3 a	19/2	Overlapping Generations	How can we make the Solow model more realistic?	Chapter 8 of 'Intermediate Macroeconomics' by Garín, Lester, and Sims, 2021	None
3 b	22/2	Tutorial OLG	Learn to work with the OLG model	None	Assessment 3
4 a	26/2	Dynamic consumption	Forward-looking behavior: how to optimize consumption over multiple periods	Chapter 9 of 'Intermediate Macroeconomics' by Garín, Lester, and Sims, 2021	None
4 b	29/2	Tutorial DC	Learn to work with the DC model	None	Assessment 4
5 a	4/3	Production and labor market	How can we add production and choices about labor supply to the DC model?	Chapter 12 of 'Intermediate Macroeconomics' by Garín, Lester, and Sims, 2021	None

5 b	7/3	Tutorial Production and labor market	Learn to work with the extended DC model	None	Assessment 5
6 a	11/3	Equilibrium in exchange economy	What is a competitive equilibrium in a dynamic context?	Chapter 11 of 'Intermediate Macroeconomics' by Garín, Lester, and Sims, 2021	None
6 b	14/3	Tutorial exchange economy	How can we determine equilibrium in a dynamic context?	None	None
7 a	18/3	Mock exam	None	None	None
7 b	21/3	Exam			
8 a	25/3	Guest lecture 1	To be confirmed	None	None
8 b	28/3	Guest lecture 2	To be confirmed	None	None
9 a					
9 b					
10 a	8/4	Fiscal policy	How does fiscal policy impact the equilibrium?	Chapter 13 of 'Intermediate Macroeconomics' by Garín, Lester, and Sims, 2021	None
10 b	11/4	Round table I	Group-specific assignment	Group-specific papers	Round Table
11 a	15/4	Inflation	What are measures for inflation? Is there a trade-off between inflation and employment?	Section 21.2 and 21.3 from Chapter 21 of 'Intermediate Macroeconomics' by Garín, Lester, and Sims, 2021	None
11 b	18/4	Round table II	Group-specific assignment	Group-specific papers	Round Table
12 a	22/4	Monetary policy	How can monetary policy affect the economy?	Chapter 26 of McDowell, Thom, Pastine, Frank, Bernanke (2012) Principles of Economics ,3rd European Edition, McGraw Hill.	None

12 b	25/4	Round table III	Group-specific assignment	Group-specific papers	Round Table
13 a					
13 b					
14 a	6/5	Long run policies	To be announced	Papers to be announced	None
14 b	9/5	Mock exam	None	None	None
15 a	13/5	Exam			
15 b	16/5	Policy presentation			
16 a	20/5	Whit Monday			
16 b	23/5	Policy presentation			
17a	27/5	Policy presentation			
17b	30/5	Wrap up			

* Page count based on the norm that 1 ecp = 100 pages, for a maximum of 600 pages per 6 ecp course. Please note that page count may vary somewhat per discipline.