

EC 1B5 Macroeconomics I – Lent Term Week 1 to 6

The main textbook is Macroeconomics – Daron Acemoglu, David I. Laibson, John A. List, Second Edition 2019.

Week 1-2: Introduction to Macroeconomics and Measurement

- Introduction to Macroeconomics
- Three approaches to measure GDP
- Limitation of GDP measures
- Real vs. nominal GDP, price indexes and inflation

Required reading: Chapter 5

Week 2-3: Growth Facts, Income and Growth Accounting

- Comparing GDP across countries, adjusted for PPP
- Aggregate Production Function
- Income/productivity Accounting
- Measuring Growth – exponential growth
- Growth facts and Growth Accounting

Required reading: Chapter 6, Chapter 7.1-7.2

Week 3-4: Mechanism of Growth

- Malthusian Theory
- Solow Growth Model
- Geography, culture and Institutions

Required reading: Chapter 7.3-7.4, Appendix and Chapter 8

Week 4-5: Labour Market

- Labour market measurement – participation rate and unemployment rate
- Competitive labour market
- Search theory of unemployment
- Wage rigidity

Required reading: Chapter 9

Week 5-6: Credit Market

- Credit demand and credit supply curve
- Consumption, saving and investment decision
- Bank Runs

Required readings: Chapter 10