

EC 1B5: Macroeconomics I – Lent Term Week 7 to 11

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

Outline and Readings

Week 7-8: Money and Inflation

- Role of Money
- Quantity Theory of Money
- Inflation
- The Federal Reserve Bank and the Bank of England

Required readings: Chapter 11

Week 8-9: Economic Fluctuations

- Co-movement, limited predictability and persistence
- Shocks
- Amplification
- Economic Recovery
- The Great Recession

Required readings: Chapter 12

Week 9-10: Countercyclical Macroeconomic Policy

- Countercyclical monetary policy
- Countercyclical fiscal policy

Required readings: Chapter 13

Week 10-11: Open Economy Macroeconomics

- Macroeconomics and International Trade
- Nominal Exchange Rates
- Foreign Exchange Market
- Real Exchange Rates
- GDP in open economy

Required readings: Chapter 14-15