NAME OF THE COURSE	MACROECONOMICS III					
Code	EUE301	Year of study	4			
Course teacher	Izv.prof. dr. sc. Lena Malešević Perović Izv.prof. dr.sc. Bruno Ćorić	Credits (ECTS)	5			
Associate teachers		Type of instruction (number of hours)	L	S	E	F
			26		26	
Status of the course	obligatory	Percentage of application of e-learning	30%			

COURSE DESCRIPTION

Course objectives	To assess, compare and critically evaluate capabilities of a certain (macroeconomic) theory to explain empirical data and real situations in the economy.
Course enrolment requirements and entry competences required for the course	
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	1. To critically assess the main theories of long-term growth 2. To critically asses' differences between RBC and the New Keynesian approach to explaining business cycles; 3. To construct a database of key macroeconomic indicators and analyse them graphically.

Course content broken down in detail by weekly class schedule (syllabus)

Lectures		Exercises	
Topic	**Hrs**	**Topic**	**Hrs**
Introduction. Growth rates and GDP in general.	2	Introduction to exercises in excel	2
Stylised facts and growth facts.	2	Introduction to *Penn World Tables* database.	2
Solow's basic growth model.	2	Collecting the data, transferring the data to Excel, graphical presentation and analysis of long-term GDP per capita data for 2 given countries. Calculating average growth rate.	2
Solow's basic growth model: comparative statics – increase in savings rate and increase in the rate of population growth.	2	Collecting the data, transferring the data to Excel, graphical presentation and analysis of GDP per worker. Calculating implicit participation rate.	2
Solow's basic growth model: Golden rule.	2	Collecting the data, transferring the data to Excel, graphical presentation and analysis of 10	2

			richest and 10 poorest countries in the World for two chosen years.	
	Solow's extended growth model.	2	Absolute convergence: Collecting the data, transferring the data to Excel, graphical presentation and analysis of OECD data.	2
	Solow extended growth model: comparative statics – increase in savings rate and increase in the rate of technological progress.	2	Conditional convergence: Collecting the data, transferring the data to Excel, graphical presentation and analysis of OECD data.	2
	Midterm test 1	2		
	Solow's model assessment and growth accounting.	2	Expressing values in 'per worker' terms and calculating growth rates.	2
	Endogenous growth theories.	2	Solow model simulations in Excel	2
	Introduction to business cycles. Business cycle facts.	2	Introduction to OECD statistics database. Collecting the data, transferring the data to Excel, graphical presentation and analysis of real GDP fluctuations around the long-term trend for 3 given countries.	2
	Introduction to real business cycle theory.	2	Collecting the data, transferring the data to Excel, graphical presentation and analysis of real GDP fluctuations around the long-term trend for 2 chosen countries.	2
	Theory of real business cycles – analysing the impact of a positive productivity shock.	2	Introduction to *Federal Reserve Bank of St. Louis* and NBER database. Collecting the data, transferring the data to Excel, graphical presentation and analysis of the data for 2 given variables. Drawing conclusions about the direction and time of change in relation to aggregate economic activity.	2
	New Keynesian business cycle theory.	2	Collecting the data, transferring the data to Excel, graphical presentation and analysis of the data for 2 chosen variables. Drawing conclusions about the direction and time of change in	2

			relation to aggregate economic activity.	
	Midterm test 2	2		2

Format of instruction	x lectures ☐ seminars and workshops x exercises ☐ *on line* in entirety x partial e-learning ☐ field work	☐ independent assignments ☐ multimedia ☐ laboratory ☐ work with mentor ☐ (other)
Student responsibilities	Students should attend at least 9 out of 13 lectures in order to be able to take exam. Exercises are not obligatory, but it is required that students pass pre-exam test on computers (which is explained in exercises) to be able to take exam.	

Screening student work *(name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course)*						
	Class attendance	1,5 ECTS	Research		Practical training	0,5 ECTS
	Experimental work		Report		(Other)	
	Essay		Seminar essay		(Other)	
	Tests	2*1,5 ECTS	Oral exam		(Other)	
	Written exam	3 ECTS	Project		(Other)	

Grading and evaluating student work in class and at the final exam

Before being able to take the written exam, students have to pass practical exercises. During the semester students will be given 6-8 personalised tasks which they have to submit in a form of word document at the end of the semester via Moodle system.
The exam is given in a written form. Students can opt either for 2 midterm tests or for one final exam. It is required that students pass either the two midterm tests or the final exam with a minimum of 60%. Passing a pre-exam test on computers is also obligatory.
Grading is given in the following table:
Grades (1-5):

pass (2)	60–69%
good (3)	70-79%
very good (4)	80-89%
excellent (5)	90-100%

Required literature (available in the library and via other media)	**Title**	**Number of copies in the library**	**Availability via other media**
	Krueger, D. (2001): Intermediate Macroeconomics, Currently available on request from the author.		
	Sorensen, P.B. and Whitta-Jacobsen, H.J. (2005): *Introducing Advanced Macroeconomics: Growth and Business Cycles*, The McGraw-Hill Companies, London;		
	Abel, A. and Bernanke, B. (2005): *Macroeconomics*, Pearson Addison Wesley, International edition.		
	Ćorić, B. and Malešević Perović, L. (2013):		

	Makroekonomija. Teorija i politika. (Macroeconomics. Theory and policy) EFST, Split.		
Optional literature (at the time of submission of study programme proposal)			
Quality assurance methods that ensure the acquisition of exit competences			
Other (as the proposer wishes to add)			