

SUBJECT:	<b>Advanced Economics</b>	
HOURS:	<b>30+15</b>	ECTS:
semester	<b>summer</b>	Academic year

Name/title of the author:	
Course Description:	<p>Advanced Economics is a course that is addressed to MA students who are willing to learn more about the functioning of an economy, macroeconomic processes and relations, and want to be more conscious participants of economic life.</p> <p>The course will be focused on: (i) causes of economic fluctuations; (ii) sources of economic growth; and (iii) the role of economic policy as a tool of macroeconomic stabilization and growth enhancement.</p> <p>The emphasis will be put on international linkages and microfoundations of main macroeconomic relations and processes.</p>
Learning Outcomes (Goals and Objectives of the course):	<ol style="list-style-type: none"> <li>1. Presentation of theories that explain fundamental macroeconomic phenomena: business fluctuations and economic growth.</li> <li>2. Presentation of merits and limits of macroeconomic policy especially in an open economy context.</li> </ol>
Entrance qualifications:	<p>Although courses in introductory macroeconomics and microeconomics are not formal prerequisites it is strongly recommended to take part in them first.</p> <p>Some basic mathematical and statistical tools will be used so students are encouraged to refresh their knowledge in these areas.</p>
Course Content:	<p><b>I. Introduction to Macroeconomics</b>  Definitions of economics and macroeconomics. Subject matter of macroeconomics. Model, endogenous and exogenous variables, and equations (behavioural equations, identities, equilibrium conditions).  Chapter 1, Annex 2</p> <p><b>II. Gross Domestic Product – concept, measurement and interpretation</b>  Real and nominal GDP. Actual and potential GDP. International comparisons of GDP and purchasing power parity (PPP).  Chapter 2</p> <p><b>III. Short-run analysis</b>  Goods market, financial markets. The <i>IS-LM</i> model. Equilibrium in the open economy under fixed and flexible exchange rate regimes. The global financial crisis.  Chapters 3-5; 18-20, 28</p> <p><b>IV. Medium-run analysis</b>  Nature of adjustment process. The <i>AS-AD</i> model. Inflation and unemployment – Phillips curve. Adjustment process in open economy.  Chapters 6-9; 21</p>

## V. Long-run analysis

Determinants of long-run growth. Neoclassical model of growth. Macroeconomic policy in the long run. Convergence hypothesis. Chapters 10-13

Final grades will be based on the results of written exam (at the end of the summer semester) and work at the problem sessions (during the semester) according to the following rule:

Total percentage points	Grade
< 100; 90 >	5.0
< 81; 90 )	4.5
< 72; 81 )	4.0
< 63; 72 )	3.5
< 55; 63 )	3.0
< 0; 55 )	2.0

Total percentage points are percentage points earned for the work during the semester plus percentage points earned at the exam. The *maximal* number of points to be earned at the exam is 95.

Percentage points for the work at the problem sessions will be assigned for submitted solutions of chosen problems. In order to receive such a point student is supposed to:

- attend a class
- submit her or his solution on time i.e. *before* the class starts
- write the solution (no printouts or photocopies allowed)
- submit her or his solution on an A4 sheet of paper which is supposed to be neat and tidy
- be ready to present the problem and the suggested solution

Please remember that it is not allowed to submit any solutions at the end of the course.

Problems will be available in the Moodle platform (<https://e-uczelnia.uek.krakow.pl/>).

The *minimal* number of points for the work at the problem sessions is 4. Students who do not meet this requirement will not be allowed to take either the exam or the re-sit exam.

A re-sit exam cannot be scheduled *before* the end of the regular exam session (which is set by the Rector).

All classes are obligatory. In a case of an absence student is required to present the relevant justification within the 7 days from the cessation of the cause that justified the absence.

Assessment policy  
(examination):

Course materials/bibliography:	<p>Required reading  Blanchard Olivier (2011, updated edition), <i>Macroeconomics</i>, Pearson Prentice Hall, Upper Saddle River, New Jersey (main textbook).</p> <p>Complementary reading:  Snowdon Brian, Vane Howard and Wynarczyk Peter (1994), <i>A Modern Guide to Macro-economics. An Introduction to Competing Schools of Thought</i>, Edward Elgar Publishing Limited.  Acocella Nicola (1998), <i>The Foundations of Economic Policy. Values and Techniques</i>, Cambridge University Press, Cambridge; chapters 13-18.  Articles from various economic journals.</p>
Methods of Instruction:	lectures and problem sessions
Notes / suggestions:	