

ITEM CARD (SYLLABUS)

Description of the course

Code course		Course name	MACROECONOMICS 1		
IBF/O/I/NS/A.5			MAKROEKONOMIA 1		
Language		English			
Academic Year		2024/2025			
Direction of study		International Business and Finance			
Level of education (study)		Level 1			
Profile of education (study)		General academic			
Form of study		Extramural			
Semester / semesters		3-4			
Belonging to a course groups		A-Fundamental courses			
Course status		compulsory			
Form of classes, hours, ECTS points		Form of classes	Number of hours	Number of ECTS points	
		Lecture	20 [h]	8 ECTS	
		Exercises	30 [h]		
		Seminar	[h]		
Relationship of subject	with profile of education (study)	Related to conducted scientific activity in the field of economics and finance			1 ECTS
	with qualifications	-----			ECTS
	with discipline	Economics and finance			8 ECTS
Form of teaching		traditional - classes organized at the University			
The criterion for the selection of students		All students of International Business and Finance			
Unit running course		Department of Economics			
Coordinator		Grażyna Kozuń-Cieślak, Ph.D.			
Faculty www address		http://weif.uniwersytetradom.pl			
E-mail, phone number of coordinator		g.kozun@uthrad.pl			

COURSE OUTCOMES, METHODS OF TEACHING AND VERIFICATION OF THE EFFECTS OF EDUCATION

Purpose of the course:	The aim of the course is to provide students with knowledge about economic phenomena and mechanisms occurring in the national economy and the ability to analyze and interpret them.
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<p>Course teaching content:</p>	<p><u>Lecture content:</u></p> <p>1. Introduction to macroeconomics (2h, W1, W2, W3, BN)</p> <p>1.1 The big issues 1.2 National income accounting 1.3 What GNP measures</p> <p>2. Output and aggregate demand (2h, W1, W2, W3)</p> <p>2.1 Components of aggregate demand 2.2 Aggregate demand 2.3 Equilibrium output 2.4 Another approach: planned saving equals planned investment 2.5 A fall in aggregate demand 2.6 The multiplier 2.7 The paradox of thrift</p> <p>3. Fiscal policy and foreign trade (2h, W1, W2, W3)</p> <p>3.1 Government and the circular flow 3.2 The government and aggregate demand 3.3 The government budget 3.4 Deficits and the fiscal stance 3.5 Automatic stabilizers and discretionary fiscal policy 3.6 The national debt and the deficit 3.7 Foreign trade and income determination</p> <p>4. Money and banking (2h, W1, W2, W3)</p> <p>4.1 Money and its functions 4.2 Modern banking 4.3 How banks create money 4.4 The monetary base and the money multiplier 4.5 Measures of money 4.6 The demand for money</p> <p>5. Interest rates and monetary transmission (2h, W1, W2, W3)</p> <p>5.1 The role of Central Bank 5.2 The Bank and the money supply 5.3 Lender of last resort 5.4 Equilibrium in financial markets 5.5 Monetary control 5.6 Targets and instruments of monetary policy 5.7 The transmission mechanism</p> <p>6. Monetary and fiscal policy (2h, W1, W2, W3)</p> <p>6.1 Monetary policy rules 6.2 The IS-LM model 6.3 The IS-LM model in action 6.4 Shocks to money demand 6.5 The policy mix 6.6 The effect of future taxes</p> <p>7. Aggregate supply, prices, and adjustment to shocks (4h, W1, W2, W3)</p> <p>7.1 Inflation and aggregate demand 7.2 Aggregate supply 7.3 Equilibrium inflation 7.4 The labour market and wage behavior 7.5 Short-run aggregate supply 7.6 The adjustment process 7.7 Sluggish adjustment to shocks 7.8 Trade-offs in monetary objectives</p> <p>8. Inflation, expectations, and credibility (2h, W1, W2, W3)</p> <p>8.1 Money and inflation 8.2 Inflation and interest rates</p>
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	<p>8.3 Inflation, money, and deficits</p> <p>8.4 Inflation, unemployment, and output</p> <p>8.5 The costs of inflation</p> <p>8.6 Defeating inflation</p> <p>9. Unemployment (2h, W1, W2, W3)</p> <p>9.1 The labour market</p> <p>9.2 Analysing unemployment</p> <p>9.3 Explaining changes in unemployment</p> <p>9.4 Cyclical fluctuations in unemployment</p> <p>9.5 The cost of unemployment</p> <p>10. Exchange rates and the balance of payments (2h, W1, W2, W3)</p> <p>10.1 The foreign exchange market</p> <p>10.2 Exchange rate regimes</p> <p>10.3 The balance of payments</p> <p>10.4 The real exchange rate</p> <p>10.5 Determinants of the current accounts</p> <p>10.6 The financial account</p> <p>10.7 Internal and external balance</p> <p>10.8 The long-run equilibrium real exchange rate</p> <p>11. Open economy macroeconomics (2h, W1, W2, W3)</p> <p>11.1 Fixed exchange rates</p> <p>11.2 Macroeconomics policy under fixed exchange rates</p> <p>11.3 Devaluation</p> <p>11.4 Floating exchange rates</p> <p>11.5 Monetary and fiscal policy under floating exchange rates</p> <p>12. Economic growth (2h, W1, W2, W3)</p> <p>12.1 Economic growth</p> <p>12.2 Growth: an overview</p> <p>12.3 Technical knowledge</p> <p>12.4 Growth and accumulation</p> <p>12.5 Growth through technical progress</p> <p>12.6 Growth in the OECD</p> <p>12.7 Endogenous growth</p> <p>12.8 The costs of growth</p> <p>13. Business cycles (2h, W1, W2, W3)</p> <p>13.1 Trend and cycle: statistics or economics?</p> <p>13.2 Theories of the business cycle</p> <p>13.3 Real business cycles</p> <p>13.4 An international business cycle</p> <p>14. Macroeconomics: taking stock (2h, W1, W2, W3)</p> <p>14.1 Areas of disagreement</p> <p>14.2 New Classical macroeconomics</p> <p>14.3 Gradualist monetarists</p> <p>14.4 Moderate Keynesians</p> <p>14.5 Extreme Keynesians</p> <p><u>Exercise content:</u></p> <p>1. Introduction to macroeconomics (4h, U1, U2)</p> <p>1.1 Macroeconomics as the study of the whole economy</p> <p>1.2 Internally consistent national accounts</p> <p>1.3 The circular flow between households and firms</p> <p>1.4 Why leakages always equal injections</p> <p>1.5 More comprehensive measures of GDP and GNP</p> <p>2. Output and aggregate demand (4h, U1, U2)</p> <p>2.1 Actual output and potential output</p>
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	<p>2.2 Why output is demand-determined in the short run</p> <p>2.3 Short run equilibrium output</p> <p>2.4 Consumption and investment demand</p> <p>2.5 How aggregate demand determines short-run equilibrium output</p> <p>2.6 The marginal propensity to consume (MPC)</p> <p>2.7 How the size of the multiplier affects the MPC</p> <p>2.8 The paradox of thrift</p> <p>3. Fiscal policy and foreign trade (4h, U1, U2)</p> <p>3.1 How fiscal policy affects aggregate demand</p> <p>3.2 How short-run equilibrium output is determined in this extended model</p> <p>3.3 The balanced budget multiplier</p> <p>3.4 Automatic stabilizers</p> <p>3.5 The structural budget and the inflation-adjusted budget</p> <p>3.6 How budget deficits add to national debt</p> <p>3.7 The limits to discretionary fiscal policy</p> <p>3.8 How foreign trade affects equilibrium output</p> <p>4. Money and banking (4h, U1, U2)</p> <p>4.1 The medium of exchange as the key attribute of money</p> <p>4.2 Other functions of money</p> <p>4.3 How banks create money</p> <p>4.4 The monetary base, the money multiplier and the money supply</p> <p>4.5 How banks compete for deposits and loans</p> <p>4.6 Motives for holding money</p> <p>4.7 How money demand depends on output, prices, and interest rates</p> <p>Written test nr 1 (1h)</p> <p>5. Interest rates and monetary transmission (4h, U1, U2)</p> <p>5.1 How a central bank can affect the money supply</p> <p>5.2 The central bank's role as lender of last resort</p> <p>5.4 Money market equilibrium</p> <p>5.5 An intermediate target for monetary policy</p> <p>5.6 The transmission mechanism of monetary policy</p> <p>5.7 How a central bank sets interest rates</p> <p>5.8 How interest rates affect consumption and investment demand</p> <p>6. Monetary and fiscal policy (4h, U1, U2)</p> <p>6.1 Different forms of monetary policy</p> <p>6.2 A Taylor rule</p> <p>6.3 A monetary target</p> <p>6.4 IS and LM curves</p> <p>6.5 Equilibrium in both the output and money market</p> <p>6.6 The effect of fiscal expansion</p> <p>6.7 The effect of monetary expansion</p> <p>6.8 The mix of fiscal and monetary policy</p> <p>6.9 How expected future taxes affect current demand</p> <p>7. Aggregate supply, prices, and adjustment to shocks (4h, U1, U2)</p> <p>7.1 The macroeconomic demand schedule (MDS)</p> <p>7.2 Aggregate supply in the classical model</p> <p>7.3 The equilibrium inflation rate</p> <p>7.4 Complete crowding-out in the classical model</p> <p>7.5 Why wage adjustment may be slow</p> <p>7.6 Short-run aggregate supply</p> <p>7.7 Temporary and permanent supply shocks</p> <p>7.8 How monetary policy reacts to demand and supply shocks</p>
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	<p>7.9 Flexible inflation targets</p> <p>Written test nr 2 (1h)</p> <p>8. Inflation, expectations, and credibility (4h, U1, U2)</p> <p>8.1 The quantity theory of money</p> <p>8.2 How nominal interest rates reflect inflation</p> <p>8.3 Seigniorage, the inflation tax and why hyperinflation occur</p> <p>8.4 When budget deficits cause money growth</p> <p>8.5 The Phillips curve</p> <p>8.6 The costs of inflation</p> <p>8.7 Central bank independence and inflation control</p> <p>9. Unemployment (4h, U1, U2)</p> <p>9.1 Classical, frictional and structural unemployment</p> <p>9.2 Voluntary and involuntary unemployment</p> <p>9.3 Determinants of unemployment</p> <p>9.4 How supply-side policy reduce equilibrium unemployment</p> <p>9.5 Private and social cost of unemployment</p> <p>9.6 Hysteresis</p> <p>10. Exchange rates and the balance of payments (4h, U1, U2)</p> <p>10.1 The foreign exchange market</p> <p>10.2 Balance of payment accounts</p> <p>10.3 Determinants of current flows</p> <p>10.4 Perfect capital mobility</p> <p>10.5 Speculative behavior and capital flows</p> <p>10.6 Internal and external balance</p> <p>10.7 The long-run equilibrium real exchange rate</p> <p>11. Open economy macroeconomics (4h, U1, U2)</p> <p>11.1 Fixed exchange rates</p> <p>11.2 Macroeconomics policy under fixed exchange rates</p> <p>11.3 Devaluation</p> <p>11.4 Floating exchange rates</p> <p>11.5 Monetary and fiscal policy under floating exchange rates</p> <p>Written test nr 3 (1h)</p> <p>12. Economic growth (4h, U1, U2)</p> <p>12.1 Growth in potential output</p> <p>12.2 Malthus' forecast of eventual starvation</p> <p>12.3 How technical progress and capital accumulation made Malthus' forecast wrong</p> <p>12.4 The neoclassical model of economic growth</p> <p>12.5 The convergence hypothesis</p> <p>12.6 The growth performance of rich and poor countries</p> <p>12.7 Whether policy can affect growth</p> <p>12.8 Whether growth must stop to save the environment</p> <p>13. Business cycles (4h, U1, U2)</p> <p>13.1 The differences between trend growth and economic cycles</p> <p>13.2 Why output gaps may fluctuate</p> <p>13.3 Whether potential output also fluctuates</p> <p>13.4 Whether national business cycles are now more correlated</p> <p>14. Macroeconomics: taking stock (4h, U1, U2)</p> <p>14.1 How different views of how the macroeconomy works result from differences in key assumptions regarding prices and wages</p> <p>14.2 The effect of different assumptions about the speed of price and wage adjustment</p> <p>14.3 The effect of different assumptions about how expectations are formed</p> <p>14.4 The role of real wage flexibility</p>
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	14.5 The concept of hysteresis 14.6 Different schools of macroeconomic thought Written test nr 4 (1h)
Method of teaching:	lecture including multimedia techniques analytical exercises
Grading criteria, criteria for assessing learning outcomes, method of calculating the final grade:	<i>The condition for passing the course is achieving all the required learning outcomes specified for the course.</i> Lecture - evaluation based on a written exam Exercises - evaluation based on a written tests: 1 st semester: 50% grade from test nr 1 + 50% grade from test nr 2 2 nd semester: 50% grade from test nr 3 + 50% grade from test nr 4

Education effects for the course in relation to the direction effects and form of classes				Verification methods of learning outcomes (form check)	
Number of education effect	Description effects of education for the subject (PEU) Student who has completed the course (W) knows and understands/(U) is able to /(K) is ready to:	Directional learning effect (KEU)	Form of realization of teaching	Examination form	Form check
W1	Student knows and understands theories and general research methodology in the field of macroeconomics	K_W01	Lecture	Pass with a grade	Written exam
W2	Student knows and understands the subsystems and structures of the national economy, including the financial system and its elements, objectives and principles of their functioning.	K_W03	Lecture	Pass with a grade	Written exam
W3	Student knows and understands the methods and tools of economic analysis with which he can describe the processes taking place in the national economy.	K_W04	Lecture	Pass with a grade	Written exam
U1	Student is able to use his knowledge in the field of macroeconomics to identify and interpret complex phenomena occurring in the national economy	K_U01	Exercise	Pass with a grade	Written test
U2	Student can correctly identify the macroeconomic environment and analyze the phenomena occurring in it in order to diagnose and solve problems in business and international finance.	K_U04	Exercise	Pass with a grade	Written test

Recommended reading, literature supplement, teaching aids
<ol style="list-style-type: none"> 1. D. Begg, G. Vernasca, R. Dornbusch, S. Fischer (2020). <i>Economics</i>, 12th edition, MacGraw – Hill. 2. D. Begg, D. Ward (2005). <i>Economics. Student workbook</i>, 8th edition, MacGraw – Hill. <p><i>A detailed list of additional literature, web sources and teaching aids will be provided by a teacher during the first class</i></p>

Student workload needed to achieve the assumed learning outcomes - balance of ECTS points			
Participation in classes, activities	Student's working hours [h]		
	Other hours. Contact (IGK)	Classes without a teacher – student's own work (ZBN)	Classes
Participation in Lectures/ Seminars	X	X	20 [h]
Participation in Exercises/Laboratories	X	X	30 [h]
Participation in the Consultation	10 [h]	X	X
Preparing to lectures/ exercises/seminars Preparation for an examination	X	140 [h]	X
Summary of student's workload	10 [h]/0,4 ECTS	140 [h]/ 5,6 ECTS	50 [h]/ 2 ECTS
Points of ECTS for subject	200 [h] / 8 ECTS		

Additional information and remarks
<p>For students with special needs, including those with disabilities and chronic illnesses, the methods and forms of verifying learning outcomes specified above (in the course syllabus) are appropriately adjusted to meet the individual needs of these students.</p> <p>"The detailed rules and rights of students with special needs, including those with disabilities and chronic illnesses, regarding participation, assessment, and examinations, are specified in the Study Regulations, Study Rules, and Procedures for Ensuring Accessibility of the Educational Process for Students with Special Needs, including those with disabilities and chronic illnesses."</p>