



Courses taught in English at the Faculty of Economic Sciences

Module No.: B.WIWI-VWL.XXXX Title: Applied Macroeconomics	Credits: 6
Course Content: Intermediate B.A. level course examining why output, consumption and other economic aggregates fluctuate, and how government policies affect them. We begin with the IS-LM framework that students will have had before, and examine its shaky foundations. We see how <ul style="list-style-type: none"> • expectations drive behavior through the consumption function and investment • fiscal policy's effect depend on what government "produces" • monetary policy's effect on the price level and output • whether business cycles are "real" and could be moderated • some insights into crises and policy making • how trade and capital flows affect the balance of payments • exchange rate regimes and their choice The emphasis is on (i) understanding relationships, not modelling; (ii) developing economic reasoning and skepticism about what we think we know.	Course Type: Lecture

Recommended Prerequisites: A good grasp of analytical tools like supply, demand and equilibrium. An introductory course in macro-economics would be useful, but not essential if the student puts in extra effort.	Exam: <ul style="list-style-type: none"> • Mid-term take home exam (max. 5 pages) • Final written exam (90 minutes)
Recommended Semester: Semester 4 to 6	Cycle: One time
Literature: Richard Mishkin's <i>The Economics of Money, Banking and Financial Markets</i> (Prentice Hall). 10 th edition, 2012 is the latest, but earlier editions would be fine also. The textbook will be supplemented with journal articles.	Lecturer: Dr. S. Ramachandran