Course Syllabus

ECN 201
Intermediate Macroeconomics

Number of ECTS credits: 6
Time and Place: Wednesday’s 4.30 pm – 7.30 pm

Contact Details for Professor
Name of Professor: Adriaan Luyten
E-mail: adriaan.luyten@gmail.com
Office hours: Wednesdays, after class

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Course Prerequisites (if any)
A one semester principles of economics course covering both micro- and macro-
economics (ECN101), or a two-semester principles of economics sequence. 
Math prerequisites are covered in Jacques (2009, Chapter 1: Linear Equations, pp. 
13-92) and do not go beyond the elementary algebra.

Course Description
The course will cover the determination of income, employment, the price level, 
interest rates and exchange rates in the economy. The economy will be analysed in 
the short run (e.g. business cycle and stabilization policy) and in the long run (e.g. 
economic growth). The insights of Keynesian and classical theories will be integrated. 
During the course a variety of simple models will be presented. As macroeconomics 
is an empirical discipline the course will cover case studies and statistical data 
interpretation. Special attention will be given to current European developments.
Course Learning Objectives (CLO)

At the end of this course, students should be able to:

In terms of knowledge:
➢ Demonstrate knowledge of macroeconomic concepts by explaining them using appropriate terminology
➢ Demonstrate knowledge of macroeconomic theories by analysing their assumptions and differences,
➢ Demonstrate understanding of macroeconomic models by describing relationships among macroeconomic variables,
➢ Demonstrate knowledge and understanding of current macroeconomic problems by applying theories to concrete cases

In terms of skills
➢ Track down economic data and data sources
➢ Interpret existing knowledge by explaining what macroeconomic principles are used in economic analyses
➢ Use basic mathematical tools (e.g. graphs, linear equations) in macroeconomic analyses
➢ Use argumentation based on acquired knowledge

In terms of attitudes, students should develop in this course:
➢ critical attitudes, which are necessary for “life-long learning”
➢ an attitude of open-mindedness and self-critical reflection with a view to self-improvement
➢ an attitude of critical thinking
### LINK BETWEEN MAJOR OBJECTIVES, COURSE OBJECTIVES, TEACHING METHODS, ASSIGNMENTS AND FEEDBACK

**BA Business Studies**

#### Summary:
- Number of assignments used in this course: 4
- Number of Feedback occasions in this course (either written or oral): 4
- Number and Types of Teaching Methods: 2

#### Table

<table>
<thead>
<tr>
<th>Major Learning Objectives</th>
<th>Course Learning objectives addressing the Major Objectives (testable learning objectives)</th>
<th>Methods used to Teach Course Objectives</th>
<th>Methods (and numbers/types of assignments) used to test these learning objectives</th>
<th>Type, Timing and Instances of Feedback given to Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>The bachelor has a broad knowledge of the different functional fields of business management. S/he is able to apply this knowledge in the analysis of business-oriented problems and is able to propose solution to specific business problems.</td>
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<td>The bachelor has an understanding of the interrelatedness of the different functional fields of business and understands the impact of this on decision-making.</td>
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<tr>
<td>The bachelor has insight into the broad societal context of businesses and is able to take it into account in the analysis of business-oriented problems.</td>
<td>Demonstrate knowledge of macroeconomic concepts by explaining them using appropriate terminology</td>
<td>Lectures Readings</td>
<td>Written Assignments Examinations</td>
<td>Written feedback after the assignments Oral feedback after the exams</td>
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<tr>
<td></td>
<td>Demonstrate knowledge of macroeconomic theories by analysing their assumptions and differences</td>
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<tr>
<td>The bachelor knows and is able to apply common qualitative and quantitative research methods and is able to apply these in the field of business studies</td>
<td>Demonstrate understanding of macroeconomic models by describing relationships among macroeconomic variables</td>
<td>Lectures Readings In class exercises</td>
<td>Written Assignments Examinations</td>
<td>Written feedback after the assignments Oral feedback after the exams</td>
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<td></td>
<td>Interpret existing knowledge by explaining what macroeconomic principles are used in economic analyses</td>
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<td>The bachelor has an open and academic attitude characterized by accuracy, critical reflection and academic curiosity.</td>
<td>Use basic mathematical tools (e.g. graphs, linear equations) in macroeconomic analyses</td>
<td>Lectures Readings</td>
<td>Written Assignments Examinations</td>
<td>Written feedback after the assignments Oral feedback after the exams</td>
</tr>
<tr>
<td>The bachelor is able to identify the international dimension in business-related problems and knows how to handle these problems in an effective way.</td>
<td>Track down economic data and data sources critical attitudes, which are necessary for “life-long learning” an attitude of open-mindedness and self-critical reflection with a view to self-improvement an attitude of critical thinking</td>
<td>Lectures Readings</td>
<td>Written Assignments Examinations</td>
<td>Written feedback after the assignments Oral feedback after the exams</td>
</tr>
<tr>
<td>The bachelor is able to work in a multi-cultural team.</td>
<td>Demonstrate knowledge and understanding of current macroeconomic problems by applying theories to concrete cases</td>
<td>Lectures Readings</td>
<td>Written Assignments Examinations</td>
<td>Written feedback after the assignments Oral feedback after the exams</td>
</tr>
<tr>
<td>The bachelor recognizes the importance of life-long learning.</td>
<td>The bachelor is able to communicate clearly, fluently and accurately; as well in a written report as in an oral presentation.</td>
<td>The bachelor is able to combine ethical and business-oriented judgments in the analysis of business problems and takes these ethical considerations explicitly into account in the</td>
<td></td>
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<td>solutions proposed for business problems</td>
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**Main Course Materials (please note that you can find the readings for each week and session in the Course Schedule section below):**

The course material consists of powerpoint presentations, readings from the textbook and papers and video lectures. Powerpoint presentations will be made available after the respective classes have taken place. A week-by-week overview of the course readings can be found in the section below.

The syllabus, powerpoint presentations and important messages will be uploaded to the Vesalius portal ‘Canvas’. Students are expected to visit this site regularly to keep abreast of course evolutions. The professor is expected to upload relevant material in a timely manner.

Course material marked as ‘recommended readings’ is helpful for research and to gain an increased understanding, but is not mandatory. This material can be found online or will be made available upon individual request.

**Textbook:**

**Active Learning and Intensive ‘Reading around the Subject’: Additional Sources, Recommended Journals and Websites:**

Learning should be an active and self-motivated experience. Students who passively listen to lectures, copy someone else’s notes, and limit their readings to required chapters are unlikely to develop their critical thinking and expand their personal knowledge system. At the exam, these students often fail to demonstrate a critical approach. Students are strongly recommended to have an updated understanding of developments related to this course and related to their wider Major. Active and engaged learning will turn out to be enriching to the overall course and class discussions. Students are invited to deepen their understanding of both theoretical and current issues from a variety of sources. Please find a list of suggestions compassing the entire course below. You are encouraged to read and browse in the leading journals of your discipline.
Leading Journals in Business Studies


Further Journals Relevant for this Course:

Economic Letters, Journal of Economic Perspectives, Financial Times

Websites of Interest:

https://www.project-syndicate.org/economics

Work Load Calculation for this Course:

This course counts for 6 ECTS, which translates into 150 – 180 hours for the entire semester for this course. This means that you are expected to spend roughly 10 hours per week on this course. This includes 3 hours of lectures or seminars per week and 7 hours ‘out of class’ time spent on preparatory readings, studying time for exams as well as time spent on preparing your assignments. Please see below the estimated breakdown of your work-load for this course.

Time spent in class: 3 hours per week / 45 hours per semester
Time allocated for course readings: hours per week 3/ hours per semester 45
Time allocated for preparing Assignment 1: 10
Time allocated for preparing Assignment 2: 15
Time allocated for preparing/revising for written Mid-term Exam: 20
Time allocated preparing/revising for written Final Exam: 20

Total hours for this Course: 154
Course Assessment: Assignments Overview

The students will be evaluated on the basis of their performance in the following assignments:

- Activity 1 10%
- Activity 2 10%
- Midterm examination 40%
- Final examination 40%
- TOTAL 100%

Grading Scale of Vesalius College

Vesalius College grading policy follows the American system of letter grades, which correspond to a point scale from 0 – 100. All assignments (including exams) must be graded on the scale of 0-100. To comply with the Flemish Educational norms, professors should on request also provide the conversion of the grade on the Flemish scale of 0-20. The conversion table below outlines the grade equivalents.

<table>
<thead>
<tr>
<th>Letter grade</th>
<th>Scale of 100 (VeCo Grading Scale)</th>
<th>Scale of 20 (Flemish System)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>85-100</td>
<td>17.0-20.0</td>
</tr>
<tr>
<td>A-</td>
<td>81-84</td>
<td>16.1-16.9</td>
</tr>
<tr>
<td>B+</td>
<td>77-80</td>
<td>15.3-16.0</td>
</tr>
<tr>
<td>B</td>
<td>73-76</td>
<td>14.5-15.2</td>
</tr>
<tr>
<td>B-</td>
<td>69-72</td>
<td>13.7-14.4</td>
</tr>
<tr>
<td>C+</td>
<td>66-68</td>
<td>13.1-13.6</td>
</tr>
<tr>
<td>C</td>
<td>62-65</td>
<td>12.3-13.0</td>
</tr>
<tr>
<td>C-</td>
<td>58-61</td>
<td>11.5-12.2</td>
</tr>
<tr>
<td>D+</td>
<td>54-57</td>
<td>10.7-11.4</td>
</tr>
<tr>
<td>D</td>
<td>50-53</td>
<td>10.0-10.6</td>
</tr>
<tr>
<td>F</td>
<td>0-49</td>
<td>0-9.9</td>
</tr>
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</table>

Description of Activities, Grading Criteria and Deadlines:

Assignment 1 Written assignment: discussion of a selected topic based on academic papers (course material from weeks 1-6)

Students will have to demonstrate understanding of a selected macroeconomic problem discussed in a recent article from either ‘The Financial Times’ or ‘The Economist’ and make a short discussion based on academic references.

Formal requirements: Between 1000 and 1500 words, normal margins, font size: 12, font: Arial, spacing: 1,5, APA style in-text citations and literature references.
Recommended structure:

**Introduction**: Introductions should normally answer the following questions: What is the purpose of the article? What important economic question does it try to answer, or what issue does it try to shed light on?

**A main section**: Present your arguments in a coherent and logical order. Subsections are often very useful for this purpose. In general, you should aim to bring related material together under a general heading. Organize your material in paragraphs/sections that relate logically to each other. Discuss how the results from the literature can be used.

**Conclusion**: It covers principal findings. You may discuss the policy implications of your results, and whether or not you agree with the author.

**Deadline**: Week 8

**Assignment 2: Set of problems related to models**

Students will have to demonstrate understanding of macroeconomic models by application of graphs and algebra. The problems to be solved will consist of equations describing economic markets and an economy. Students will derive equations for curves and represent them graphically. The set of problems will be handed to students in week 9.

**Deadline**: Week 12

**Mid-Term Exam (written)**:
Mid-term exam will cover material from weeks 1-6
Students will be asked to:
- explain theoretical concepts (30%),
- answer problem questions related to theoretical concepts (30%),
- make graphical representations (10%),
- solve short numerical exercises (30%).

**Final Written Exam**:
Final exam will cover material from weeks 8-14
Students will be asked to:
- explain theoretical concepts (35%),
- answer problem questions related to theoretical concepts (45%),
- make graphical representations (20%).
Rubrics: Transparent Grading Criteria For Assignment 1

The following criteria will be applied in assessing your written work (Assignment 1):

A. Introduction: definition of research topic,
B. Discussion of major findings in the literature,
C. Structure and clarity,
D. Formal criteria: page layout, bibliographic references.

Grading form for written assignments (more than 10% of the final grade)

<table>
<thead>
<tr>
<th></th>
<th>Grade Range (0-49/100) FAIL</th>
<th>Grade Range (50-68/100) C</th>
<th>Grade Range (69-100/100) – B to A</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction: definition of research topic</td>
<td>Little appropriate information is given about the topic</td>
<td>Information about the topic is unclear or incomplete</td>
<td>The paper provides clear, focused description of the topic</td>
<td>/20</td>
</tr>
<tr>
<td>Discussion of major findings in the literature</td>
<td>Inappropriate choice of literature or no comparisons or synthesis provided, or less than 5 journal papers are discussed</td>
<td>The literature review does not identify fully all the relevant arguments or provides weak comparisons, argumentation or synthesis but at least 5 journal papers are discussed</td>
<td>The literature review identifies the relevant arguments, provides comparisons, contrasts and synthesis, at least 5 journal papers are discussed</td>
<td>/45</td>
</tr>
<tr>
<td>Structure and clarity</td>
<td>There is no clear structure of the paper, argumentation and comparisons are unclear, there is no synthesis</td>
<td>The paper is vaguely structured</td>
<td>The paper is structured in a coherent and logical way</td>
<td>/25</td>
</tr>
<tr>
<td>Formal criteria: page layout, bibliographic references</td>
<td>Less than 2000 words or serious mistakes concerning page layout or repetitive mistakes concerning citations, or more</td>
<td>Between 2000 and 2500 words or few mistakes concerning page layout or few mistakes concerning citations, or more</td>
<td>Between 2500 and 3000 words, normal margins, font size: 12, font: Arial, spacing: 1,5, APA style in-text citations</td>
<td>/10</td>
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</tbody>
</table>
Rubrics: Transparent Grading Criteria For Assignment 2

Each item of a problem (e.g. graph, algebra) will be graded in the grade band 0-10. Grade description:
0 = task or element not done or clearly incorrect
5 = task or element done, but only partially correct or incomplete
10 = task or element done, clearly correct and complete

Total number of points: 100

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<thead>
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<tbody>
<tr>
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<td>D</td>
<td>50-53</td>
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<tr>
<td>F</td>
<td>0-49</td>
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Vesalius College Attendance Policy
As the College is committed to providing students with high-quality classes and ample opportunity for teacher-student interaction, it is imperative that students regularly attend class. As such, Vesalius College has a strict attendance policy. Participation in class meetings is mandatory, except in case of a medical emergency (e.g. sickness). Students will need to provide evidence for missing class (doctor’s note). If evidence is provided, the missed class is considered as an excused class. If no evidence is provided immediately before or after the class, the missed class is counted as an absence. After two sequential absences, the student’s advisor will be informed.

Additional Course Policies
Late assignments will not be accepted unless there are serious legitimate reasons. Provision of a signed medical note is required, and notice must be given prior to the deadline.

**Academic Honesty Statement**

Academic dishonesty is NOT tolerated in this course.

Academic honesty is not only an ethical issue but also the foundation of scholarship. Cheating and plagiarism are therefore serious breaches of academic integrity.

Following the College policy, cheating and plagiarism cases will be communicated in writing to the Associate Dean and submitted to the Student Conduct Committee for disciplinary action.

If you refer to someone else’s work, appropriate references and citations must be provided. Grammar, spelling and punctuation count, so use the tools necessary to correct before handing in assignments.

Please consult the Section “Avoiding Plagiarism” in the College Catalogue for further guidance.

**Turnitin**

All written assignments that graded and count for more than 10% towards the final course grade need to be submitted via the anti-plagiarism software Turnitin. You will receive from your professor a unique password and access code for your Class.

### Course Schedule (Overview)

<table>
<thead>
<tr>
<th>Week 1</th>
<th>28 August 2019</th>
<th>Introduction to the course and core requirements</th>
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</table>
| Week 2 | 4 September 2019 | Key concepts  
The short run: the goods market |
<p>| Week 3 | 11 September 2019 | The short run: financial markets and the IS-LM model |</p>
<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>4</td>
<td>18 Sep 2019</td>
<td>The medium run: the labor market</td>
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<td></td>
<td>The natural rate of unemployment and the Phillips curve</td>
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<td>5</td>
<td>25 Sep 2019</td>
<td>From the short to the medium run: the IS-LM-PC model</td>
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<tr>
<td>6</td>
<td>2 Oct 2019</td>
<td>Revision for mid-term exam</td>
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<td>Exercises</td>
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<td>7</td>
<td>9 Oct 2019</td>
<td>Mid-Term Exams</td>
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<tr>
<td>8</td>
<td>16 Oct 2019</td>
<td>The long run: the facts of growth; saving, capital accumulation and output</td>
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<tr>
<td>9</td>
<td>23 Oct 2019</td>
<td>The long run: the effects of technological progress</td>
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<tr>
<td>10</td>
<td>6 Nov 2019</td>
<td>Expectations (part 1)</td>
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</tbody>
</table>

**Fall Recess – 28 October to 1st November 2019 – NO CLASSES**
| Week 11 | 13 November 2019 | No class – students work on their assignments |
| Week 12 | 20 November 2019 | Expectations (part 2) |
| Week 13 | 27 November 2019 | The goods and financial markets in an open economy |
| Week 14 | 4 December 2019 | Revision for final exam Exercises |
| Week 15 | 11 December 2019 | FINAL EXAMS |

**Detailed Session-by-Session Course Outline**

**Week 1 (Wednesday 28 August 2019)**

*Introduction to the Course and Overview of Core Requirements.*

**Week 2 (Wednesday 4 September 2019)**

*The short run: the goods market*
Reading:

Compulsory: Blanchard, Chapters 2 and 3

Recommended:

R. Glenn Hubbard, *Money, the Financial System and the Economy*, Addison-Wesley, 2005


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**Week 3 (Wednesday 11 September 2019)**

*The short run: the financial markets and the IS-LM model*

Reading:

Compulsory: Blanchard, Chapters 4 and 5

Recommended:

Blanchard, Chapter 6

Hicks, J. R. “*Mr. Keynes and the ‘Classics’; A Suggested Interpretation.*” *Econometrica*, vol. 5, no. 2, 1937, pp. 147–159.

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**Week 4 (Wednesday 18 September 2019)**

*The medium run: the labor market*

*The medium run: the natural rate of unemployment and the Phillips curve,*

Reading:

Compulsory: Blanchard, Chapters 7 and 8

Recommended:

Layard, Nickel and Jackman, *The Unemployment Crisis*, Oxford University Press, 1994

Week 5 (Wednesday 25 September 2019)

From the short to the medium run: the IS-LM-PC model

Reading:

Compulsory: Blanchard, Chapter 9

Week 6 (Wednesday 2 October 2019)

Revision for mid-term

Week 8 (Wednesday 16 October 2019)

The long run: the facts of growth; saving, capital accumulation and output

Compulsory: Blanchard, Chapters 10 and 11

Recommended:


Week 9 (Wednesday 23 October 2019)

The long run: the effects of technological progress

Reading:

Compulsory: Blanchard, Chapters 12 and 13

Week 10 (Wednesday 6 November 2019)

Expectations (part 1)

Compulsory: Blanchard, chapters 14 and 15
Recommended:


Week 11 (Wednesday 13 November 2019)

No class – students work on their assignments

Week 12 (Wednesday 20 November 2019)

Expectations (part 2)

Reading:

Compulsory: Blanchard, chapter 16

Week 13 (Wednesday 27 November 2019)

The goods and financial markets in an open economy

Reading:

Compulsory: Blanchard, chapters 17 and 18

Week 14 (Wednesday 5 December 2018)

Revision and exercises