

# **ECONOMICS FOR NON-ECONOMISTS: TOPICS IN MACROECONOMICS**

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**European University Institute**

**Course Syllabus (Spring 2015)**

## **Contact info**

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## **Course Overview**

This course serves as an introduction to the field of Macroeconomics for EUI Researchers in History, Law, and Social and Political Science. The lectures will offer an overview of the key concepts in business cycle theory, labor markets theory, as well as fiscal and monetary policy.

## **Pre-requisites**

This course has no prerequisites, though you may have some background knowledge of basic concepts in macroeconomics.

## **Logistics**

- Dates of lectures: Tuesdays 14/4, 21/4, 28/4, 5/5, 12/5.
- Lecture Hours: 17:15-19:15.
- Room: VSP 2 (1<sup>st</sup> floor of Villa San Paolo).

## **Course Goals and Learning Outcomes**

- To promote academic literacy of the EUI community and enhance dialogue between the Researchers of the different departments.
- To gain familiarity with the field of macroeconomics and to use economic theory and the tools of economic analysis to a range of issues, including the recent financial crisis.

## **Course Materials**

This course draws on the following sources:

**1. Slides:** Each set of slides will be sent via e-mail to the participants in the course after each lecture. Slides will serve as lecture notes.

### **2. Textbooks:**

Below are some textbooks designed for students who may not have extensive backgrounds in economics in order to keep the content of the course very low on maths. These textbooks will be useful references for many of the topics taught on this course.

- N.G. Mankiw, "Macroeconomics", 7th edition (2010); New York, NY: Worth; Basingstoke: Palgrave [distributor].
- G.J. Borjas, "Labor Economics", 6th edition (2012); McGraw Hill/Irwin.
- R.G. Ehrenberg and R.S. Smith, "Modern Labor Economics: Theory and Public Policy", 12th edition (2014); Upper Saddle River, N.J.: Prentice Hall  
(companion website:  
[http://wps.aw.com/aw\\_ehrensmith\\_mlabor econ\\_11/186/47806/12238540.cw/index.html](http://wps.aw.com/aw_ehrensmith_mlabor econ_11/186/47806/12238540.cw/index.html))

## **Course Outline:**

The course consists of five lectures on the following topics:

1. Introduction to Macroeconomics, goods and money markets
2. Fiscal and monetary policy
3. Labor markets and unemployment

## **Course Assessment:**

To the best of my knowledge, for the SPS department this course counts as a workshop in case of full-certified attendance (10 credits). The History Department won't give any credits for it, whereas the Law Department will give 3 credits. Consequently, there will not be a formal assessment.

## Course Readings:

### Lectures 1-3: Introduction to the Money and Goods Markets, Fiscal and Monetary Policy

We will make an introduction to the science of macroeconomics and then we will discuss general aspects of the Business Cycle Theory (the economy in the short run) and of policy debates. We will follow closely the following chapters:

- Mankiw - Chapter 1: The Science of Macroeconomics
- Mankiw - Chapter 10: Aggregate Demand I: Building the IS-LM model
- Mankiw - Chapter 11: Aggregate Demand I: Applying the IS-LM model
- Mankiw - Chapter 16: Government Debt and Budget Deficits
- Mankiw - Chapter 19: Money Supply, Money Demand, and the Banking System

### Lectures 4-5: Unemployment and Labor Markets

We will review stylized facts about the US and European labor markets and we will discuss the different types of unemployment and background theories. We will also analyze aspects of the recent crisis. We will follow mainly the first two from the readings below:

- Borjas - Chapter 13: Unemployment
- Ehrenberg and Smith - Chapter 14: Unemployment
- Mankiw - Chapter 6: Unemployment