

Instructor

Bilgin Bari

Email

bbari@anadolu.edu.tr

Office

1st Floor, Office 120

Office Hours

Wednesday,

14:00-16:00

Course Overview

- This course focuses on macroeconomic policy problems in the short-run.
- Macroeconomic theory is covered to analyze these macroeconomic problems.
- The course introduces policy implementations to solve macroeconomic problems.
- We study the collection and descriptive analysis of macroeconomic data.
- We learn to employ empirical analysis to manage macroeconomic research.
- Students experience how to conduct economic policy analysis.

Prerequisites

- Macroeconomic Theory I - II
- Monetary Theory and Policy
- International Economic I -II

Textbook

- Macroeconomics: Policy and Practice - S.F. Mishkin, 2nd Ed., Pearson.
- Macroeconomics - Mankiw, G. - 9th Ed.
- Macroeconomics - Blanchard, O. - 8th Ed.

Other Resources

- Lecture notes are available on www.bilginbari.net

Requirements

- Students are expected to attend all classes at their scheduled time.
- I will randomly check the class attendance and give extra points to encourage class participation.
- Unless you had a serious medical problem, do not expect any exemption or any kind of leniency with regard to participation.

Exams and Evaluation

Midterm Exam % 30

Final Exam % 40

Quiz %20

Homework %10

Course Outline

Introduction to Economic Policy: Economic Analysis

Week 1

- The Science of Economics
- The Practice of Macroeconomics
- The Data of Macroeconomics

Interpretation of Macroeconomic Data

Week 2

- Data Sources
- Data Management
- Data Generation Process

Macroeconomic Basics

Week 3

- Aggregate Production and Productivity
- Saving and Investment
- Money and Inflation

Long Run in the Economy: Economic Growth

Week 4

- The Sources of Growth
- Drivers of Growth
- Technology, Policy, and Institutions

Short Run in the Economy: Explaining Business Cycles

Week 5

- Business Cycles
- Time Horizons in Macroeconomics
- Economic Shocks

Back to Macroeconomic Theory

Week 6

- Classical and Keynesian Theory
- IS-LM Model
- AD-AS Model

Midterm Week

Midterm Week

IS-MP-PC Model : A Short-Run Modern Macroeconomic Model I

- Week 7**
- Monetary Policy and Aggregate Demand
 - IS Curve
 - Taylor Rule and MP Curve
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IS-MP-PC Model : A Short-Run Modern Macroeconomic Model II

- Week 8**
- Phillips Curve: Inflation and Unemployment
 - Aggregate Supply: Inflation and Output
 - Price Shocks
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Monetary Policy

- Week 9**
- The Objectives of Macroeconomic Policy
 - The Relationship Between Stabilizing Inflation and Stabilizing Economic Activity
 - Inflation: What should central banks do?
 - Monetary Policy at the Zero Lower Bound
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Fiscal Policy

- Week 10**
- Government Debt and Budget Deficit
 - Interaction Between Monetary and Fiscal Policy
 - MMT: Modern Monetary Theory
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International Economic Policy

- Week 11**
- Exchange Rates
 - Balance of Payments
 - Speculative Attacks and Foreign Exchange Rate Crises
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Financial System in the Economy

- Week 12**
- The Role of Financial System
 - Financial Crises and the Economy
 - Financial Stability and Macroprudential Policy
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