

Course Syllabus and Requirements

Economics II.

2. Course code	Semester	Hours per week (Theory/Practice)	ECTS credits	Language of Instruction	Level (BSc/BA/MSc/MA)
BMEGT30A001	Fall	4/0	4	English	BSc/BA

3. Course supervisor (name, title, department):

Zsombor Ligeti PhD, associate professor, vice-head of department, Dept. of Economics

4. Lecturer:

Name:	Position:	Department/Institute/availability (Room, e-mail address):
Iván Major	professor	Dept. of Economics, Institute of Economic Sciences, Bld-Q A 2nd floor / Room 219, major@kgt.bme.hu

Lectures: from Week 7 to Week 12 on Mondays between 8 a.m. and 10 a.m. and on Tuesdays between 12 a.m. and 2 p.m. in K87.

5. Preliminary knowledge required:

Economics I.

6. Academic prerequisites:

Economics I.

7. Objectives and description of the course:

In this introductory course you get acquainted with the basic concepts, definitions and tools of macroeconomic analysis. You can learn how to analyze the changes and economic development in different national economies assuming rational decision making of all economic actors. The topics we shall discuss in this course are as follows:

- “Bird’s eye view” of a national economy: the aggregate outcome of individual market players;
- How to measure macroeconomic accomplishment? GDP, GNP, GNI and other measures;
- Employment and unemployment in the national economy;
- The impact of price fluctuations in a national economy: different measures of inflation;
- Economic growth and living standards;
- Labor demand and supply, and employees’ remuneration on macro-level;
- The impact of savings on economic growth: savings and investments;
- The role of central banks in different countries: money, prices and credibility;
- International financial markets and capital flows (FDI);
- Short-term economic fluctuations: recession and expansion;
- The impact of spending by different expenditures on a country’ output;
- How can a central bank stabilize the economy;
- Inflation and aggregate supply;
- The “open” economy – how can we measure openness;
- Exchange rates and their impact on a country’s economic performance.

Textbook and online material: Robert H. Frank and Ben S. Bernanke, *Principles of Economics*, Sixth edition, McGraw-Hill, 2016. (FB), Chapters 17–29.

My lecture notes and all additional course materials will be uploaded on <https://www.kgt.bme.hu>

8. Teaching methods:

Both the lecture notes and the recommended textbook are accessible to students without a strong technical background. Students will be assigned to presentation teams and the teams will have one presentation at the beginning of each class. Presentation topics will be assigned by the course instructor. The teams must prepare presentation slides and talk about those slides in front of class. Presentations should not be longer than 15 minutes.

9. Requirements and assessment:

According to our academic regulations, students may miss a maximum of 25% of the classes. The students are graded according to the results of a midterm and a final exam, which both include multiple choice and true or false questions. Final grades are determined by the average percentage score of the two midterm exams, provided that a student scores at least 40% (16 out of 40) in both exams. (Otherwise an F grade is given to student.)

10. Exams, make-up duties and make-up exams:

<i>Percentage achieved</i>	<i>Hungarian grade</i>	<i>ECTS equivalent</i>	<i>Explanation for the Hungarian grade</i>
85-100	5	A	Excellent
70-84	4	B	Good
55-69	3	C	Satisfactory
40-54	2	D	Pass
0-39	1	F	Fail
0	Nem teljesítve	<i>(None)</i>	Unaccomplished (no credit)

Grades will be determined according to the table to the left, based on the results of the midterm exams:

Midterm exam (5th Week; weight: 30%)

Final exam (12th Week; weight: 50%)

Presentation and class participation: 20%.

Students can retake either (or both) exam(s) at the end of the semester (13th Week).

12. Course material, compulsory and recommended readings:

English-language books are available on the subjects discussed during the course.

Course textbook: Robert H. Frank and Ben S. Bernanke, *Principles of Economics*, Sixth edition, McGraw-Hill, 2016. (FB), Chapters 17–29.

13. Workload and detailed class schedule:

	Topics to be discussed, readings required for the class, and assignments
Week 9 Monday, 10/29	Basic principles of macroeconomics (Chapter 17).
Week 9 Tuesday, 10/30	Measuring economic performance; Introduction to the issues of employment and unemployment (Chapter 18).
Week 10 Monday, 11/05	Price fluctuations (Chapter 19); Economic growth and living standards (Chapter 20).
Week 10 Tuesday, 11/06	Labor demand and supply, and wages. (Chapter 21).
Week 11 Monday, 11/12	Savings, investments and economic growth (Chapter 22).
Week 11 Tuesday, 11/13	Money, prices and the role of central banks (Chapter 23); Financial markets and foreign direct investment (Chapter 24).
Week 12 Monday, 11/19	Short-term economic fluctuations (Chapter 25); the impact of spending by different expenditures on a country' output (Chapter 26).
Week 12 Tuesday, 11/20	Financial markets and foreign direct investment (Chapter 24)
Week 13 Monday, 11/26	How can a central bank stabilize the economy? (Chapter 27); Inflation and aggregate supply in a country (Chapter 28).
Week 13 Tuesday, 11/27	The open economy and exchange rates (Chapter 29).
Week 14 Monday, 12/03	Course overview
Week 14 Tuesday, 12/04	Final exam
Week 15 Monday, 12/10 or Tuesday, 12/11	Free retake of the final exam