








5 credits	45.0 h + 15.0 h	Q1
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Teacher(s)	Mariani Fabio ;
Language :	French
Place of the course	Louvain-la-Neuve
Prerequisites	<i>The prerequisite(s) for this Teaching Unit (Unité d'enseignement – UE) for the programmes/courses that offer this Teaching Unit are specified at the end of this sheet.</i>
Main themes	The first part of the course is a detailed study of short-term macroeconomic models. It first of all analyses the determining factors of consumption and investment behaviour and looks to provide answers to the following questions: How can the existence of fluctuations in activity, employment and inflation be explained? What are the causes and consequences of foreign and budgetary deficits? What economic policies are available for dealing with dysfunctional social phenomena such as unemployment, and how effective are they, in particular for economies which are wide open to the rest of the world? The second part of the course examines endogenous price and wage setting and seeks to understand the mechanisms which explain the appearance and persistence of macroeconomic stability with high unemployment, such as can be observed today in a number of industrialised economies. Although the first part of the course introduces students to a certain number of theoretically new subjects, it also goes over some of the models normally studied within the Macroeconomics programme in first and second year. However they are presented in a much more formal and systematic way in this course, seeking to equip students with a real mastery of these basic tools of macroeconomic analysis.
Aims	<p>1 This Macroeconomics course equips students with the basic instruments they need to analyse short and medium term macroeconomic problems in an industrialised market economy. In particular the objective is to enable students to understand the macroeconomic discourse of institutions such as the central banks, the IMF, the OECD and evaluate it critically.</p> <p>-----</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>
Content	The first part of the course studies the establishment of fixed price and wage macroeconomic balance (in particular IS-LM, etc.) and the effect of price and/or wage flexibility on the characteristics of short-term balance (neo-classical and neo-Keynesian models). These themes will be discussed successively within the framework of both a closed- and open economy (the effect of the degree of openness of the economy, the mobility of the capital, the exchange policy, decisions on monetary union). The second part of the course analyses the macroeconomic implications of the unequal competition which operates within the goods and work markets. The course constructs a comprehensive open economy macroeconomic model in which non-competitive mechanisms of price and wage setting are described explicitly. The effects of such mechanisms on macroeconomic balance and the potential effect of economic policy are studied in detail. The course is rather wide-ranging and only the basics are covered during the 60 hours' teaching. The 30 hours of practical exercises are intended to be spent equally carrying out exercises and complementary reading. The reading is intended to give students a more in-depth understanding of some of the theoretical and methodological issues and will give illustrations (case studies, empirical analyses).
Other infos	Course entry requirements: Students should have taken the BAC 1 ECGE Economics and Mathematics courses Evaluation: Students will be evaluated on the basis of an end-of-year oral examination, a compulsory test in January (success in this test does not exempt students from the final examination) and summary reports on the reading in the practical sessions.
Faculty or entity in charge	ESPO

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] in Actuarial Science	ACTU2M	5		
Bachelor in Economics and Management	ECGE1BA	5	(LECGE1112V OR LECGE1112L) AND LECGE1115O	
Bachelor in Computer Science	SINF1BA	5	LCOPS1115K	
Master [120] in Geography : General	GEOG2M	5		
Bachelor in Business Engineering	INGE1BA	5	LECGE1115B AND LINGE1114 AND LINGE1121	
Minor in Economics	LECON100I	5		
Minor in Economics (open)	LOECO100I	5	LECGE1112 AND LECGE1115B	
Additional module in Geography	LGEOG100P	5		