

9 credits

45.0 h + 12.0 h

Q2

Teacher(s)	Dejardin Marcus ;Perilleux Anaïs ;Valenduc Christian ;
Language :	French
Place of the course	Louvain-la-Neuve
Main themes	In a first stage, the main subject to be tackled is that of the structuring of the economic circuit in the framework of the national accounting in an open economy, stressing both the links between the three traditional axes (production, distribution of income, and expenses) and between the different economic agents (accounts of economic units). The final objective is to develop a global double entry economic table (by economic operation, by macro-économic agent). In a second stage, the objective is to tackle the macro-économic analysis in a dynamic perspective and no more from a static point of view. This will be achieved through a study of the interactions between the agents' macro-economic behaviours(supply and/or demand behaviour, pricing behaviour, ...) and certain structural characteristics of the economies under review (partial unbalances incertain markets, productions structures in a two-sector economy, ...).
Aims	<p>At the end of the course, the student shall - have a structured comprehension and knowledge of the global macro-economic circuit in an open economy (3 axes of the national accountancy, 4 agents); - be able to interpret -with rigour and critical faculty- common macro-economic information (budget, fiscal policy, overall economic situation, economic projections, ...) showing a clear perception of the interdependence of the mechanisms and dynamics (of markets and agents) in an open economy.</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	<p>The course aims to give an introduction to macroeconomics, from a theoretical and policy point of views.</p> <p>The first part of the course deals with national accounting. We describe how GDP is computed, the structure of national accounts, including the basic principles of the sectorial accounts (households, corporations and quasi-corporations, general government).</p> <p>The second part is devoted to macroeconomics. It starts with a chapter explaining the main concepts: production (GDP), employment and unemployment, prices indexes, exchange rates. We next turn to the IS-LM model and discuss the effect of monetary and fiscal policies in the IS-LM setting. Those chapters include case studies and information/discussion on/of the institutional: the independency of central banks, the EU framework for fiscal policy.</p> <p>We include the labour market with the 'PS-WS model' that describes wage and price setting. It enables us to discuss the wage setting process. We close the 'closed economy' part with a general equilibrium approach (aggregate supply and aggregate demand).</p> <p>The next chapters remove the closed economy assumption. We review how openness affects supply, demand and the equilibrium, and the use of exchange rate as an instrument for economic policy. Special attention is devoted to the real exchange rate issue that matters a lot for countries being member of a monetary union. We discuss the policy choice between fixed and floating exchange rates.</p>
Bibliography	<ul style="list-style-type: none"> • Blanchard O. Cohen D. Macroéconomie, Ed Pearson <p>Le support du cours est Blanchard O. Cohen D. Macroéconomie, Ed Pearson</p>
Faculty or entity in charge	OPES