

Faculty of Economic, Social and Political Sciences



ECGE1212 Macroeconomics

[45h+15h exercises] 5 credits

Teacher(s): Philippe Monfort, Henri Sneessens
Language: French
Level: First cycle

Aims

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.

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.

Content and teaching methods

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 information (prerequisite, evaluation (assessment methods), course materials recommended readings, ...)

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.

Other credits in programs

| | | | |
|-----------------|--------------------------------------------------------------------------------------|-------------|-----------|
| ACTU21MS | Première année du master en sciences actuarielles, à finalité spécialisée | (5 credits) | Mandatory |
| ECGE12BA | Deuxième année de bachelier en sciences économiques et de gestion | (5 credits) | Mandatory |
| FSA12BA | Deuxième année de bachelier en sciences de l'ingénieur, orientation ingénieur civil | (5 credits) | |
| FSA13BA | Troisième année de bachelier en sciences de l'ingénieur, orientation ingénieur civil | (5 credits) | |
| INGE12BA | Deuxième année de bachelier en ingénieur de gestion | (5 credits) | Mandatory |
| SINF11BA | Première année d'études de bachelier en sciences informatiques | (5 credits) | |
| SINF12BA | Deuxième année d'études de bachelier en sciences informatiques | (5 credits) | Mandatory |
| SINF13BA | Troisième année d'études de bachelier en sciences informatiques | (5 credits) | Mandatory |