

Faculty of Economic, Social and Political Sciences



ECON2242 Conjunctural Fluctuations and Cycles

[30h] 4 credits

This two-yearly course is taught in 2007-2008, 2009-2010,...

This course is taught in the 2nd semester

Language: French

Level: Second cycle

Aims

The course aims to initiate students in the use of the tools and concepts of economic theory so that they can then understand the nature of economic fluctuations, produce a diagnosis of the macro-economic situation in a particular country and, where appropriate, suggest economic policy measures

Main themes

The course deals with the issue of theoretical and empirical analysis of fluctuations and of economic cycles, and in particular aims to answer the following questions:

1. Why does growth undergo periods of expansion, acceleration and slowdown, and phases of expansion and recession? How is it possible to identify a country's cycle of economic activity? What are the main characteristics? Which economic variables have cyclical behaviour? Are economic cycles internationally correlated?
2. Are economic cycles determined deterministically or randomly? Does a period of expansion necessarily contain the seeds of a period of recession? And similarly, does a period of recession in itself engender a period of expansion?
3. Which economic factors make best sense of fluctuations in economic activity? To which mechanisms is it possible to attribute the fact that the main macro-economic variables (e.g. production, employment, prices and consumption) fluctuate cyclically?

The course will explain how to establish a conjunctural diagnosis, and how to deduce predictable short- and medium-term developments from it.

Content and teaching methods

The course is in four parts: Part I will present a quick typology of the sources of economic fluctuations, and will include a brief introduction to an analysis of dynamic models; Part II will be given over to a theoretical examination of a range of mechanisms that may be able to explain economic fluctuations of a cyclical type; Part III will be devoted to the empirical aspects of the economic cycle, and in particular will highlight a number of stylised facts concerning cyclical movements; and Part IV will look at the tools and methods of conjunctural analysis.

The course largely consists of lectures, but some of it involves reading on a range of themes that will be introduced by the students themselves.

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

Two-year degree course in Economic Sciences.

There will be an oral examination. Assessment will also focus on students' presentations of reading.

Reading lists will be available at the beginning of the course.