



## Syllabus

**Term:** 2025/26/2      **Subject name:** Macroeconomics      **Subject code:** B19GMK07E

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**Unit (Unit code)**      Department of Economics and Econometrics (KÖI)

**Lecturer responsible for the course:** Dr. FARKAS Richárd

**Requirement:** Exam

**Classes per week :** 2/2/0/0

**Classes per term:**

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### **Purpose of education:**

### **The aim of the module**

The module aims to introduce the most important aspects of macroeconomics and to get the students understand how the economy works as a whole. The course introduces basic macroeconomic models, the fiscal and monetary decisions, the real and the money market and the principles of foreign trade and economic growth. The module also aims to provide the students with a critical overview of different schools of macroeconomics and draw the attention on the complexity of the subject.

### **Learning outcomes**

#### *Knowledge:*

On completion of this module the successful student will be able to

- analyse fundamental economic data (GDP, inflation, unemployment);
- discover and interpret trends in basic macroeconomic variables;
- analyse the basic mechanisms behind fiscal and monetary interventions;
- describe the most important short and long run effects of economic shocks;
- provide critical assessment of different schools of macroeconomics (neoclassical, Keynesian, monetarist, etc.).

#### *Skills:*

This module will call for the successful student to

- effectively use model-based thinking in relation to macroeconomic problems;
- provide macroeconomic outlook for business decision support;
- critically evaluate the potential effects of fiscal and monetary interventions.



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### Purpose of education:

### Contents:

1. Introduction to Macroeconomics: Issues and basic definitions. The GDP. Practice: The GDP.
2. Aggregate demand, Keynesian cross, the multiplier Practice: Calculations with Keynesian cross and multipliers.
3. Fiscal Policy and foreign trade: Government's role in the economy, national debt and deficit. Practice: The Keynesian cross augmented with fiscal policy and foreign trade
4. Money and banking: Functions of money, money creation and multiplication. The demand for money. Practice: Calculations with the money multiplier and with money demand functions.
5. Interest rates and monetary transmission: Central Banks, financial markets and monetary policy. Monetary and Fiscal Policy: Introduction of the IS-LM model.
6. The IS-LM analysis: The use of IS-LM curves in the analysis of fiscal and monetary policy Practice: Calculations with Is and LM curves
7. Midterm exam
8. Aggregate supply, prices and adjustment to shocks: Inflation and aggregate demand, the labor market and the aggregate supply curve Practice: Calculations with aggregate supply and aggregate demand
9. Inflation, expectations and credibility: Money, inflation, interest rates. Unemployment: The labor market and different types of unemployment.
10. Exchange rates and the balance of payments: FX markets, international trade and the balance of payments Practice: Calculations with exchange rates and the balance of payments
11. Open economy macroeconomics: Fiscal and monetary policy under different exchange rate regimes. Practice: Calculations with the open-economy IS-LM model (Mundel-Fleming model)
12. Economic Growth. Solow growth model, golden rule. Technical development and endogenous growth theory Practice: Calculation of equilibrium (steady state) growth path.
13. Business cycles: Trend and cycle, the Real Business Cycle model Practice: A simple dynamic model of business cycles

### System of examing and valuation:

The evaluation of this module consists of two parts:

1. Midterm evaluation
  1. Home assignments (10 calculation exercises during the semester) - 20 points, 20% of the final grade



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### System of examing and valuation:

2. Midterm exam (60 minutes paper) - 20 points, 20% of the final grade
2. Final exam (75 minutes paper in the exam period) - 60 points, 60% of the final grade

Home assignments cover calculation exercises according to the actual weekly topics.

Midterm and final exams contain multiple choice questions and comprehensive essay questions on the theoretical part and complex calculation exercises from the practice part.

In the case of exam course students write a comprehensive exam.

### Bibliography:

#### Required reading:

- Begg, Dornbusch, Fischer: Economics. McGrawHill, 2003. (Classes follow the 7<sup>th</sup> edition, but textbooks from the 5<sup>th</sup> edition are suitable.)

#### Suggested reading:

- Smith, Begg, Symes: Economics Workbook. McGraw-Hill
- Mankiw, N.G.: Macroeconomics.

#### Useful Websites:

- [http://highered.mcgraw-hill.com/sites/0077099478/student\\_view0/](http://highered.mcgraw-hill.com/sites/0077099478/student_view0/)

### Bibliography: