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**London
South Bank
University**

Module Guide

Introduction to Advanced Macroeconomics

BBS_6_AMA

School of Business

2016/17

Level 6

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1. MODULE DETAILS

Module Title:	Introduction to Advanced Macroeconomics
Module Level:	Level 6
Module Reference Number:	BBS_6_AMA
Credit Value:	20 Credits
Student Study Hours:	200
Contact Hours:	60
Private Study Hours:	140
Pre-requisite Learning (If applicable):	Intermediate Macroeconomics (BBS_5_MAC)
Co-requisite Modules (If applicable):	None
Course(s):	None
Year and Semester	Year 3, Semester 1
Module Coordinator:	Dr Peter Luke
MC Contact Details (Tel, Email, Room)	020 7815 7779; lukep@lsbu.ac.uk ; LR-342
Teaching Team & Contact Details (If applicable):	Not applicable
Subject Area:	Economics
Summary of Assessment Method:	Coursework and Unseen Exam (weighted 40% and 60% respectively)
External Examiner appointed for module:	Dr Gerard Turley, senior lecturer National University Ireland Galway gerard.turley@nuigalway.ie

2. SHORT DESCRIPTION

This module builds Intermediate Macroeconomics at level 5 inasmuch as the concepts of the short-run and the medium term are taken as understood by the student. We now proceed to look at the economy in the long-run and focus on two main areas: theoretical growth models and how they fare under scrutiny when compared to the real world round about us; and economic fluctuations where we look at the Keynesian view of the world (in its different manifestations) and the view of the world espoused by the New Classical School and specifically the Real Business Cycle. Again real world evidence is brought to bear on this area.

3. AIMS OF THE MODULE

- Acquaint the student with advanced macroeconomic theories at an introductory level
- Develop in the student an ability to use and interpret mathematical constructs used in formal macroeconomic models
- Develop in the student an acute awareness for the strengths and limitations of the contending schools of thought as regards modern macroeconomic theory.

4. LEARNING OUTCOMES

4.1 Knowledge and Understanding:

- Demonstrate an understanding of the basic Solow growth model using a formal mathematical model
- Demonstrate an understanding and an ability to extend the basic model by consideration of both exogenous and endogenous factors
- Understand and explain the various theories as regards the business cycles

4.2 Intellectual Skills

- Use contrasting theoretical models to explain relationships dealing with economic growth in both the short and long-run
- Use analytical skills to critically evaluate various schools of macroeconomic thought as regards the business cycle
- Use skills of interpretation to identify and explain macroeconomic statistical data showing past and future economic trends

4.3 Practical Skills

- Collect relevant information from alternative sources about macroeconomic developments
- Gather secondary macroeconomic statistical data and use to interpret developments in various economic regions
- Employ standard note-taking, browsing and word-processing skills in preparing and writing an essay
- Use basic library skills to access catalogues and search for relevant journals and other reading on specific topics

4.4 Transferable Skills

- The beginnings of an ability abstract from everyday economic reality and produce models which explain the essence of macroeconomic phenomena
- The ability to interpret and use simple mathematical techniques in modelling macroeconomic phenomena

5. ASSESSMENT OF THE MODULE

Coursework

1. Individual coursework of no more than 2,500 words (40%). The subject will be on an aspect of macroeconomics and will employ theoretical concepts in the analysis undertaken. The marks will be uploaded to Moodle with written feedback by Friday 13th January, 2017. The final coursework must also be submitted through Turnitin. **If the work has not gone through Turnitin, it will not be marked.**

Unseen, three hour exam (60%)

2. This will take place in the exam diet in January, 2017. The student will be expected to answer three questions out of five.

A minimum average mark of 40% overall must be achieved to pass the module, with no element, (examination or coursework) less than 30%.

6. FEEDBACK

Please see the feedback dates above. Students who wish individual one-to-one feedback should simply email the Module leader, Dr Luke, to arrange this.

7. INTRODUCTION TO STUDYING THE MODULE

7.1 Overview of the Main Content

- The Solow Growth Model with the extensions of capital accumulation and mobility, technological progress, and human capital
- Endogenous growth theory taking in productive externalities and research and development
- Structural unemployment including efficiency wages and trade unions
- Explaining the business cycle: aggregate supply and aggregate demand considerations

7.2 Overview of Types of Classes

This unit will be taught by a weekly programme consisting of a single two-hour formal lecture plus a less formal, two hour seminar. On alternate weeks, the seminar will take place in a computer lab where previous weeks' lecture material will be illustrated through practical data analysis.

Lectures will provide students with a formal outline of the topic using PowerPoint slides. Slides along with supporting lecture notes will be made available to all students and students will be given guidance on further reading.

Seminars will take the form of a brief review of the previous week's lecture slides. Case studies will involve small-group discussion of an article on a topical issue which seeks to apply theory to current developments and issues. Students will be encouraged to discuss and debate the issues within the seminar.

7.3 Importance of Student Self-Managed Learning Time

Students are required to undertake directed self-study and prepare solutions/discussions to questions relative to various topic areas. Students will be encouraged to identify for themselves particular problems of difficulty and to use seminar discussions, where appropriate, for the resolution of these. Students must regularly access the Moodle site for this module. They should download the class/lecture material from the Moodle site, and do the recommended reading, before each lecture/class.

Where appropriate, students are also expected to download the relevant seminar questions and study them in advance of each seminar, in order to derive maximum benefit from seminar time. The programme of teaching, learning and assessment gives guidance on the textbook reading required for each week, the purpose of which is to encourage further reading both on and around the topic.

7.4 Employability

Mastery of this module will enhance the student's prospects for gaining employment in consultancy firms, research institutes, government ministries which require a broad macro sweep of the economy where the aim is both to understand the complexities of modern economies and to assist in making macro-economic forecasts.

8. THE PROGRAMME OF TEACHING, LEARNING AND ASSESSMENT

For the weeks that remain the main focus will be chapters 1 to 5 of Sorensen *et al.* Seminars will be based closely on these chapters (as will the final exam). As for the coursework, students are at liberty to continue the essay topic they had agreed with Mr. Elci (or roughly 3,000 words) or they can change to another title after a discussion with Dr. Luke. The key issue, regardless of which essay title is chosen, is that economic theory is applied to the topic chosen for discussion.

9. STUDENT EVALUATION

This is the first year the module has run and there is no student evaluation from previous years

10. LEARNING RESOURCES

Reading List

CORE READING:

- Sorensen, Peter Birch and Hans Jorgen Whitta-Jacobsen (2010) Second Edition, *Introducing Advanced Macroeconomics: Growth and Business Cycles*, McGraw-Hill

ADDITIONAL READING:

- Romer, David (2006) Third Edition. *Advanced Macroeconomics*, McGraw-Hill
- Scarth, William (2010) Third Edition, *Macroeconomics: An Introduction To Advanced Methods*