

## **Program**

### **1. What Is Macroeconomics?**

1. The major macroeconomic issues
2. Types of macroeconomic policy
3. Macroeconomics and aggregation

Core readings: Frank & Bernanke (2011)

### **2. Measuring Economic Activity and Economic Variables**

- 2.1. Measuring output and the unemployment
  - 2.1.1. Measuring output
  - 2.1.2. Measuring unemployment
- 2.2. Measuring the price level and inflation

Core readings: Frank & Bernanke (2011), ch. 4-6.

### **3. Economic Growth, Productivity and Living Standards**

- 3.1. Economic growth and living standards – empirical analysis
- 3.2. The importance of the growth rate
- 3.3. The importance of average labour productivity
- 3.4. Determinants of average labour productivity
- 3.5. Growth–promoting policies
- 3.6. The costs of economic growth

Core readings: Frank & Bernanke (2011), ch. 7.

### **4. Private Consumption, Household Savings and Investment**

- 4.1. Private consumption, household savings and wealth
- 4.2. Investment
- 4.3. Savings, investment and financial markets
- 4.4. Investment and capital stock

Core readings: Frank & Bernanke (2011), ch. 7-8.

## **5. Government and Public Finance**

- 5.1. Government budget: concepts and functions
- 5.2. Government budget: expenditure and revenue
- 5.3. Budget balance and public savings
- 5.4. Government debt

Classes: lectures 09-10 and seminars 06-07.

Core readings: tba

## **6. International Trade and the Balance of Payments**

- 6.1. Nominal exchange rates
- 6.2. Real exchange rates
- 6.3. Exchange-rate systems
- 6.4. Exports and imports
- 6.5. Evolution of international trade
- 6.6. The balance of payments

Classes: lectures 11-12 and seminars 08-09.

Core readings: Frank & Bernanke (2011), ch. 14 (in particular section on exchange rates).

## **7. Business Cycles – An introduction**

- 7.1. Recessions and expansions
- 7.2. Characteristics of short-term economic fluctuations
- 7.3. Measuring fluctuations: output gap and cyclical unemployment

Core readings: Frank & Bernanke (2011), ch. 10.

## **8. Aggregate Demand and Income in the Short Run**

- 8.1. The Keynesian model without Government
- 8.2. The Keynesian model with Government
- 8.3. The open-economy Keynesian model

Core readings: Frank & Bernanke (2011), ch. 11.

## **9. Money and Monetary Policy**

- 1. Demand for money
- 2. Supply of money and money market equilibrium
- 3. Interest rates and aggregate demand
- 4. Money supply and inflation

Core readings: Frank & Bernanke (2011), ch. 12.

## **10. Aggregate Demand and Supply - An introduction**

10.1. The aggregate-demand curve

10.2. The aggregate-supply curve

10.3. Aggregate demand and supply shocks

Core readings: Frank & Bernanke (2011), ch. 13.

## **READINGS**

### **CORE READINGS**

Frank, R. & Bernanke, B. (2011). Principles of Macroeconomics, Brief Edition, 2nd Ed. New York: McGraw-Hill.

### **ADDITIONAL READINGS**

Amaral, J.F.; Louçã, F.; Caetano, G.; Fontainha, E.; Ferreira, M.C. & Santos, S. (2007). Introdução à Macroeconomia, 2ª Ed. Lisboa: Escolar Editora. (NOTE:Core Reading in Classes in Portuguese)

Blanchard, J.-O.; Amighini, A. & Giavazzi, F. (2010). Macroeconomics: A European Perspective. Harlow: Prentice Hall.

Louçã. F. & J. Castro Caldas (2009). Economia(s), Porto: Afrontamento.

Santos, J.; Pina, A.; Braga, J. & St. Aubyn, M. (2010). Macroeconomia, 3ª Ed. Lisboa: Escolar Editora.