

## Intermediate Macroeconomics

### LSE SUMMER SCHOOL

This course aims to bring you up to date with modern developments in macroeconomic theory and offer fresh perspectives on the macroeconomic challenges of the day.

The course is essentially structured around a series of key questions:

What are the forces that drive long-term prosperity?

What are the features of labour markets that make them special, and why does unemployment occur?

How should households and firms make plans for the future?

What are the consequences of high levels of government debt?

What are central banks and how do they control interest rates?

What are the functions of financial markets, and why are financial crises so violent?

Why does economic activity fluctuate and what does austerity have to do with recessions?

Can fiscal and monetary policy fine-tune the economy?

The approach of the course is to discuss the salient features of the data and then go on to present macroeconomic models to study these issues.

#### **Key facts**

Lectures: 36 hours

Classes: 18 hours

Assessment\*: Two written examinations

Typical credit\*\*: 3-4 credits (US) 7.5 ECTS points (EU)

#### **Prerequisites**

Introductory macroeconomics and microeconomics, and differential calculus.

#### **Topics covered:**

Macroeconomic measurement and data

The labour market

Economic growth

Consumption and saving

Investment

Unemployment

A dynamic macroeconomic model

Money and interest rates

Financial markets

Business cycles and stabilisation policy

The limits of fiscal and monetary policy

**Course outcomes**

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**Reading materials**

S. Williamson, Macroeconomics, 6th ed., Pearson (2018)