



# Xi'an Jiaotong-Liverpool University

# 西交利物浦大学

Business School

## ECO320 Advanced Macroeconomics

Instructor: Tiago Freire

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Office: B4:BB454

Office Hours: Mondays and Tuesdays by appointment only.

Lecture Times: Tuesday, 10am-12pm

Room: B4:BA305

Tutorial Times: Wednesdays, 1-2pm

Room: B4:BA209

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### Course Description

**Aims:** This module aims to provide students with a good knowledge of modern macroeconomics at the advanced level by focussing on the role of expectations in an open economy.

**Learning outcomes:** Upon completion of this module, students should be able to: (i) understand the role of expectations in output fluctuations; (ii) use the rational expectations tools to solve theoretical and policy oriented macroeconomic problems; (iii) understand the implications of openness i.e., that most economies trade both goods and assets with the rest of the world; (iv) understand the mechanisms of depressions and slumps.

**Syllabus:** We will cover the following topics: (i) Facts about business cycles; (ii) Investment and Asset Prices; (iii) Consumption, Income and Wealth; (iv) Monetary Policy and Aggregate Demand; (v) Inflation, Unemployment and Aggregate Supply; (vi) Explaining Business Cycles: Aggregate Supply and Aggregate Demand; (vii) Stabilization Policy: Why?; (viii) Stabilization Policy: How?; (ix) Stabilization Policy with Rational Expectations; (x) Limits to Stabilization Policy; (xi) Aggregate Demand and Aggregate Supply in the Open Economy; (xii) The Open Economy with Fixed Exchange Rates; (xiii) The Open Economy with Flexible Exchange Rates.

## Textbooks

There is a required reading for this module:

- Sorensen, Peter, Whitta-Jacobsen, H. 2010. *Introducing Advanced Macroeconomics* 2nd Edition. McGraw-Hill

We will follow this book very closely, with tutorial assignments coming from this book.

## Lecture Schedule

The schedule for this module is attached at the end of the syllabus. This is a tentative schedule and may be subject to changes without notice.

## Assignment Details

During the semester you will be given five (5) tutorial assignments through ICE. These will not be marked, but you are strongly encouraged to complete them as they are essential for the understanding of the material. Furthermore, during tutorials we will be asking students at random to present their solutions to the tutorial assignment.

## Evaluation

There is a midterm for this module, worth 15% of your final grade and a final exam, worth 85% of your final exam.

## Miscellaneous

When contacting me please write **ECO320** in the subject line of your e-mail so that it is captured and sent to the correct folder in my mail filters.