

The Hebrew University of Jerusalem

Syllabus

Management Economics (Macro) - 55702

Last update 02-04-2025

HU Credits: 4

Degree/Cycle: 1st degree (Bachelor)

Responsible Department: Business Administration

Academic year: 0

Semester: 2nd Semester

Teaching Languages: Hebrew

Campus: Mt. Scopus

Course/Module Coordinator: Ms. Ronit Levine

Coordinator Email: r.levine@mail.huji.ac.il

Coordinator Office Hours: Wednesday 14:00 – 15:30

Teaching Staff:

Dr. Lior Amsellem,
Ms. Ronit Levine

Course/Module description:

The course "Introduction to Macroeconomics" provides fundamental concepts and tools for deep understanding of the macro-economic processes

Course/Module aims:

During the course will be shown the macroeconomic model which include the products market , money market , the labor market and foreign exchange market . by various models we will analyze the benefits and economic and social costs that derived from the macroeconomic policy, fiscal or monetary policy given its impact on various economic sectors in an open and global market. during the course we will discuss and analyze the causes of the economic crisis along with its effects on the Israeli economy , the changes in the global economy in the last four years Throughout the course we will present and analyze comparative data of Israel and the world.

Learning outcomes - On successful completion of this module, students should be able to:

Students will have deep understanding of macro-economic processes and will be able to discuss the costs and benefits of fiscal or monetary policy in open economy with capital transfers in the foreign exchange market.

Attendance requirements(%):

80%

Teaching arrangement and method of instruction: Frontal lectures in class, and solution of exercise and quizzes in class and on the course website

Course/Module Content:

National accounting

Nominal and real product

Consumers' price index

Aggregate demand

Consumption function
Disposable income
Average and marginal propensity to consume
Average and marginal propensity to save
Gini coefficient, Lorenz curve

Investment preference
NPV/IRR

Equilibrium in close economy
Deflationary and inflationary gap
Net national Product gap
Multiplier
Keynesian unemployment

Fiscal policy in economy with deflationary gap or with inflationary gap
Taxes policy
Budget deficit
Direct and indirect taxes

Money market
money stock,

Central bank, banks,
External and internal injection
Reserve deposit ratio

Liquidity preference, bonds
Equilibrium in money market
Nominal and real interest rate

Simultaneous equilibrium in close economy, in product market and money market

Discussion of fiscal and monetary policy, in close economy dealing with problems of inflation or unemployment,
Crowding out of investment
Neutrality of money
Monetary policy, fiscal policy, mixed and adaptive policy

Cost of inflation, inflation tax

Philips curve
Stagflation
Demand pull inflation
Cost push inflation

Balance of payment

Trade balance

Current account

External debt

Foreign currency market

Fixed exchange rate

Real exchange rate with capital transfers

PPP model

Simultaneous equilibrium in open economy, in product market, money market, and Foreign currency market with capital transfers.

Discussion of fiscal and monetary policy, dealing simultaneously with two or three problems of unemployment, inflation and deficit in the trade balance

Ad-AS model

Aggregate supply

SRAS, LRAS

Required Reading:

1. Dornbusch, Fischer and Startz, (2011) Macroeconomics, McGraw-Hill, 11th ed., (DFS)

2. Oron I., Mark N., Ofer G., (2006) An Introduction to Macro economics, Third edition, Amichai publisher, Tel Aviv, Israel

Additional Reading Material:

On the course website among other things there are presentations of the course and number of data files. Those data files include many data of the Israeli economy and other economies. Some of the data required for solving exercises.

Presentations and data files that is relevant to class should be brought to class.

Grading Scheme:

Written / Oral / Practical Exam 100 %

Additional information:

In case it will not be possible to take the exam in class, an online exam will be held.

During the course will be given exercises (exercises found in the moodle course website).

The solutions of the exercises must be submitted to the Teaching assistant (no exercises that you will be late).

Submitting exercises to be done in groups of couples.

Anyone who does not submit 80% of the exercises for any reason will be fined five points and the maximum exam score will be 95

Immediately after the submission date the solution of the exercises will be posted on the course web site.

There is submission obligation of 80% from the exercises in order to be eligible to access the final exam.

The exercises will be tested but are not component of the final grade.

At the end of each topic will be published additional questions on the web site for further practice.