



The Hebrew University of Jerusalem

Syllabus

Intermediate Macroeconomics - 57305

Last update 12-09-2024

HU Credits: 4

Degree/Cycle: 1st degree (Bachelor)

Responsible Department: Economics

Academic year: 0

Semester: 1st Semester

Teaching Languages: Hebrew

Campus: Mt. Scopus

Course/Module Coordinator: Prof Ori Heffetz

Coordinator Email: ori.heffetz@mail.huji.ac.il

Coordinator Office Hours: TBA

Teaching Staff:

Prof. Ori Heffetz,
Dr. caspi itamar,
Mr. Omri Rahimpur,
Mr. Nadav Endeweld,
Ms. Raya Leshem,
Mr. Eini Yuval

Course/Module description:

In the course we will develop a small open economy macro model based on Classic and Keynesian assumptions. We will use the model to discuss monetary and fiscal policy tools, GDP, inflation, and unemployment. During the course we will discuss measurement issues (including of macroeconomic indicators) and discuss current macroeconomic news and events in Israel and around the world.

Course/Module aims:

Understanding basic macroeconomic model of an open economy. Using macro economic analysis to discuss macroeconomic policy and issues in the Israeli economy. Study of monetary policy tools. Discussing issues in the measurement of economic wellbeing.

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

*Knowledge of macroeconomic analysis framework;
Knowledge of economic policy options;
Knowing the basics of an economic model;
Using a small economic model to analyze economic policy;
Familiarity with topics in the measurement of economic wellbeing.*

Attendance requirements(%):

0

Teaching arrangement and method of instruction: Lecture (asynchronous and synchronous/in-person)

Course/Module Content:

*Introduction
Labor market
Aggregate supply (AS)*

Aggregate demand (IS and LM)
Closed economy equilibrium
Open economy without capital flows and fixed exchange rate
Open economy without capital flows and exchange rates mobile
Open economy - free capital movements
Open economy - macroeconomic policy
Exchange rate policies in Israel
Macroeconomic indicators and welfare measures
Introduction to central banks
Inflation and the Phillips curve
Interest and Taylor's rule
A dynamic macroeconomic model
Stabilizing monetary policy and a flexible inflation target
The interest lower bound and new tools of monetary policy
Monetary-fiscal interaction

Required Reading:

Sachs, Jeffrey and Larrain, Felipe (1993), *Macroeconomics in the Global Economy*, Prentice Hall.

Additional Reading Material:

Mankiw N., Gregory (2016). *Macroeconomics* (9th edition), Worth Publishing.

Blanchard, Olivier (2020), *Macroeconomics* (8th edition), Pearson.

Bernanke, B. (2022). *21st Century monetary policy: The Federal Reserve from the great inflation to Covid-19*. W. W. Norton & Company.

Grading Scheme:

Written Exam % 97

Submission assignments during the semester: Exercises / Essays / Audits / Reports / Forum / Simulation / others 3 %

Additional information: