УНИВЕРСИТЕТ ЗА НАЦИОНАЛНО И СВЕТОВНО СТОПАНСТВО

UNIVERSITY OF NATIONAL AND WORLD ECONOMY

Adopted with Faculty Council decision
of Faculty of General Economics
Protocol № ..../ .....

Approved by:
Dean of Faculty:
Prof. Georgi Petrunov, PhD

SYLLABUS

Course		**MACROECONOMICS**	
Course Category		**COMPULSORY**	
Area of Study		**3. SOCIAL SCIENCES, ECONOMICS AND LAW**	
Field of Study		**3.8. ECONOMICS**	
Degree Programme		**ALL PROGRAMMES TAUGHT IN ENGLISH**	
Educational and Qualification Degree		**BACHELOR OF ECONOMICS**	
Faculty		**GENERAL ECONOMICS**	
Department		**ECONOMICS**	
Academic Hours/classes		**Full Time**	**60 HOURS**
		Distance Learning	
Extracurricular activities		**Full Time**	**90 HOURS**
		Distance Learning	
Credits		**6**	
Lecturer		**DEPARTMENT OF ECONOMICS**	

COURSE DESCRIPTION

1. The Macroeconomics course has been taught to students enrolled in the Economics degree programme for Bachelor EQD since the 1993/1994 academic year.

2. Content description: The Macroeconomics course is an integral part of the training in Economics. It lays the foundations in the field of economic theory and is therefore of crucial importance with respect to other upcoming economic subjects in the curriculum.

The Macroeconomics course is designed for students who have already passed Microeconomics and have mastered the respective terminology and market dependencies. Its purpose is to provide students with basic knowledge about how the economy functions as a whole. This implies collectively studying the aggregate behavior of different types of economic agents, the ongoing interactions between them within the realm of national economy, as well as the integration of the national economy within the global economy.

This Macroeconomics course studies aggregate macroeconomic variables, such as the gross domestic product and its derivative indicators, employment and unemployment, the general price level and its dynamics, the state budget and financial system, the various macroeconomic policies and the country's foreign relations. Each studied phenomenon is looked at through the lens of the Bulgarian economy which allows students to familiarize themselves with the surrounding macroeconomic environment as well as to acquire basic skills for its analysis.

3. Language of instruction: English

CONTENT

№	TOPIC	Academic Hours			
		Full Time		Distance Learning	
		L	S	L	S
1	**INTRODUCTION TO MACROECONOMICS** • Scope of macroeconomics. • Microeconomic foundations of macroeconomics. • Main schools in macroeconomics: mercantilism, physiocratism, classical school, Keynesian school, monetarist school, new classical (rational expectations school), real business cycle theory, new Keynesian school, structuralism. • Major macroeconomic issues: economic growth, business cycle, inflation, unemployment, government budget deficit, country's international deficit. • Macroeconomic objectives and macroeconomic policies.	**5**			
2	**MEASURING MACROECONOMY** • Circular flow diagram and basic macroeconomic relationships. • Aggregate expenditure and aggregate income. • Inner flow, injections and withdrawals (leakages). • Gross domestic product (GDP).	6			

	• Three ways of measuring GDP: expenditure approach, income approach and product approach. • Value added and double counting. • Gross national income and net national income. • Gross national disposable income and net national disposable income. • Gross national product. • GDP, economic activity and economic well-being. • Nominal GDP and real GDP. Price indices and GDP deflator. • Business cycle and economic growth.				
3	**MACROECONOMIC EQUILIBRIUM OF AGGREGATE DEMAND AND AGGREGATE SUPPLY** • Aggregate demand. • Aggregate demand curve. • Determinants of aggregate demand. • Short-run and long-run aggregate supply. • Short-run aggregate supply curve. • Potential GDP level and long-run aggregate supply curve. • Determinants of aggregate supply. • Macroeconomic equilibrium. • Determination of the real GDP and the price level. • Macroeconomic equilibrium and full employment. • Recessionary GDP gap and inflationary GDP gap. • Aggregate fluctuations and aggregate demand shocks. • Aggregate fluctuations and aggregate supply shocks.	6			
4	**AGGREGATE EXPENDITURE: CONSUMPTION EXPENDITURE AND SAVING** • Components of aggregate expenditures: relative magnitudes and relative volatility. • Consumption expenditure and consumption function. • Autonomous consumption and induced consumption. • Saving and saving function. Dissaving. • Average propensities to consume (APC) and to save (APS). • Marginal propensities to consume and to save (MPC and MPS). • Slopes of the consumption function and the saving function. • Aggregate consumption function. • Other influences on consumption expenditure and saving. • Shifts of the consumption function and the saving function.	6			

5	**AGGREGATE EXPENDITURE: INVESTMENT, GOVERNMENT PURCHASES AND NET EXPORTS** • Investment: net investment, depreciation and gross investments. • Fixed business investment, residential investment and inventory investment. • Determinants of investment. • Real interest rate and the investment demand function. • Investment demand curve. • Other influences on investment. • Accelerator principle. • Government purchases. • Net exports: exports and imports. • Determinants of exports, imports and net exports. • Imports function and the marginal propensity to import (MPIm). • Net exports function.	6			
6	**EXPENDITURE EQUILIBRIUM AND MULTIPLIER** • Aggregate expenditure and real GDP. • Autonomous expenditure and induced expenditure. • Aggregate expenditure function and aggregate expenditure curve. • Slope of the aggregate expenditure curve. • Autonomous and induced taxes. • Marginal propensity to tax (MPT) and marginal propensity to spend (MPE). • Expenditure equilibrium. • Changes in autonomous expenditures: the multiplier effect. • Sizes of the multipliers in economies with and without induced taxes. • Sizes of the multipliers in closed and in open economies. • Changes in the marginal propensity to spend. • Paradox of thrift. • Aggregate expenditure and aggregate demand. • Aggregate expenditure, equilibrium GDP and the price level.	6			
7	**FISCAL POLICY** • Aims and tools of the fiscal policy. • Government purchases and transfer payments. • Tax system and budget revenues. • Fiscal policy and aggregate demand. • Expansionary and restrictive fiscal policy. • Discretionary fiscal policy. • Fiscal policy multipliers: government purchases multiplier, transfer payments multiplier, tax multiplier, balanced budget multiplier. • Effectiveness of the fiscal policy.	5			

	• Crowding out effect. • Automatic stabilizers. • Fiscal policy and aggregate supply. • Budget deficit and government debt. Budget deficit financing.				
8	**MONEY, FINANCIAL MARKETS AND BANKING** • Definition of money. • Functions of money. • Different forms of money. • Money measures. • Financial intermediaries: commercial banks and other financial intermediaries. • Services of the financial intermediaries. • Balance sheets of commercial banks. • Actual and required reserves. Required reserve ratio. • Deposit (simple money) multiplier and money multipliers. • Demand for money. • The quantity theory of money. • Motives for holding money. • Money demand function and money demand curve. • Money supply and money supply curve. • Money market equilibrium. • Changes in money market equilibrium.	5			
9	**CENTRAL BANK AND MONETARY POLICY** • Activities and functions of the central bank. • Origin and structure of Bulgarian national bank. • Balance sheet of the central bank. • Monetary policy. • Main aims of the monetary policy. • Monetary policy tools: reserve requirements, discount rate, open market operations. • Types of monetary policy. • Monetary policy influences on the equilibrium levels of GDP and employment. • Transmission mechanisms of monetary policy. • Effectiveness and time lags of monetary policy. • Monetary policy under the currency board arrangement.	5			
10	**GOODS AND MONEY MARKETS' EQUILIBRIUM: IS-LM MODEL** • Money, interest and aggregate demand. • Expenditure equilibrium and interest rate. • Changes in real GDP. • First and second round effects of a change in the money supply. • Monetary-fiscal policy mix. • The Keynesian-monetarist controversy. • The goods market and the IS curve.	5			

	• The money market and the LM curve. • IS-LM equilibrium and aggregate demand. • The IS-LM equilibrium and the effectiveness of monetary and fiscal policies in a closed economy. • The IS-LM model in the open economy with fixed and with flexible exchange rates.				
11	**INFLATION AND UNEMPLOYMENT** • Inflation: definition and measurement. • Moderate inflation, high inflation and hyperinflation. • Balanced and unbalanced inflation. • Expected and unexpected inflation. • Causes of inflation: demand-pull inflation and cost-push inflation. • Expectations and inflation. • Costs of inflation. • Polices to tackle inflation: demand-side policies and supply-side polices. • Unemployment: definition and measures. • Unemployment and the labor market: equilibrium and disequilibrium unemployment. • Frictional (search), structural and cyclical (demand-deficient) unemployment. • Natural rate of unemployment and full employment. • Costs of unemployment. • Okun's law.	5			
	Total	**60**			

Legend: L – Lectures; S – Seminars

TEACHING AND LEARNING METHODS

A combination of different teaching techniques and methods is applied in instruction such as lectures, discussions, outsourced training in a business environment or administration, individual assignments, reports, surveys, case studies, among other methods. The teaching strategy incorporates traditional lectures and modern interactive methods of teaching as well.

The necessary technical resources for the purpose of instruction are: multimedia, software, Information and communications technology (ICT), e-learning platforms (Teams, etc.), digitally-aided education and other digital devices.

The self-preparation aims to extend students' theoretical knowledge in the studied major macroeconomic problems and relationships. It involves using a wide range of recommended textbooks and study guides and solving the concrete issues and numerical problems included in these sources and/or defined during the classes.

EXTRACURRICULAR ACADEMIC HOURS

Components	Number of Hours	
	Full Time	Distance Learning
1. Practical training		
2. Course project		
3. Essay		
4. Case study		
5. Individual assignment/ team activity		
6. Laboratory training		
7. Mid-term exam/ test	**30**	
8. Ongoing assessment		
9. Exam	**60**	
Total	**90**	

ASSESSMENT

The course valuation consists of several components.

For full time students the final grade is formed as follows:

FG = 0.5*MTE + 0.5*FE,

where:

FG = Final Grade;

MTE = Mid-Term Exam;

FE = Final exam.

Electronic platforms (such as MS Teams; Google Forms; Moodle) and other modern educational technologies are used, both for training and for assessing and controlling its results, including the use of a test center.

The final grade is based on a six-point scale, in which the lowest grade for successful completion of the course is 3. Converted to the ECTS the grading scale the grades are as it follows:

Excellent /6/	Very Good /5/	Good /4/	Average /3/		Poor /2/	
A	**B**	**C**	**D**	**E**	**FX**	**F**
The corresponding number of ECTS credit points is being allocated					No ECTS credit points are being allocated	

QUALIFICATION GOALS

This course is designed in compliance with the requirements of the National Qualification Framework[1] in terms of acquired knowledge, skills and competences for the corresponding EQD and Council Recommendation of Key Competences for Lifelong Learning[2].

[1] The National Qualification Frame of Bulgaria gives the definition of the knowledge, skills and competences which are required as a result of the education process in the corresponding EQD in higher education.

The course provides the students with the knowledge of the contemporary macroeconomics, including theory, empirical evidence and policy analysis. It covers a wide range of macroeconomic topics, including GDP calculations and structures, consumption and savings, investments and net export, government purchases and budget deficit, inflation and unemployment, monetary system and policy, macroeconomic equilibriums, etc.

The course will help students acquire skills for applying macroeconomic analysis of the real world situations, focusing on the application of the macroeconomic theory and the assessment of different visions for macroeconomic policy conducting.

DISSEMINATION OF THE COURSE

1. London School of Economics, UK
2. Humboldt University, Germany
3. University of Kent, UK.

LITERATURE

A. Basic

1. Blanchard, O. (2025). Macroeconomics, 9th ed., Pearson.
2. Damyanov, D., Velichkov, N. (2021). Macroeconomics, Study Guide, UNWE Publishing Complex.
3. Dornbusch, R., S. Fischer, R. Startz, Macroeconomics, 13th edition, Irwin/McGraw-Hill, New York, 2018.
4. Krugman, P., Wells, R. (2024). Macroeconomics, 7th edition, MacMillan.
5. Parkin, M., (2023). Macroeconomics, 14th edition, Pearson.
6. Sloman, J., Garratt, D., Guest, J. (2024). Economics, 11th edition, Pearson.

B. Additional

1. Asensio, A. (2024). Macroeconomics after the General Theory Fundamental Uncertainty, Animal Spirits and Shifting Equilibrium in a Competitive Economy, Taylor & Francis.
2. Burda, M., Wyplosz, Ch., Macroeconomics: A European text, 8th edition, Oxford University Press, 2022.
3. Carlin, W. Soskice, D. (2024). Macroeconomics. Institutions, Instability, and Inequality, Oxford University Press.
4. Gartner, M., Macroeconomics, 5th Edition, Pearson, 2016.
5. Hyman, D., Macroeconomics, Sixth Edition, Prentice Hall, 2009.
6. Larrain, F. B. (2020). Macroeconomics: MIT Press Essential Knowledge Series
7. Lipschitz, Schadler. (2019). Macroeconomics for Professionals: A Guide for Analysts and Those Who Need to Understand Them, Cambridge University Press.

[2] Council Recommendation on Key Competences for Lifelong Learning (OJ 2018/C 189/01)

8. Mitchell, W., Wray, R., Watts, M. (2019). Macroeconomics, 1st edition, Bloomsbury Academic..

C. Electronic and web-based resources

1. https://nsi.bg/bg
2. https://www.bnb.bg/
3. https://www.imf.org/en/Home
4. https://www.worldbank.org/en/home

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