

MINISTRY OF INTERNAL AFFAIRS OF UKRAINE

**DNIPROPETROVSK STATE UNIVERSITY OF
INTERNAL AFFAIRS**

**FACULTY of socio-psychological education and management
DEPARTMENT OF ANALYTICAL ECONOMICS AND MANAGEMENT**

APPROVE

Rector of Dnipropetrovsk State
University of
internal affairs
police colonel

_____ **Andriy FOMENKO**

WORK PROGRAM

Macroeconomics

Educational degree **Bachelor**

Specialty **051 Economics**

Educational program Economic Analytics and Economic Protection
from 25.06.2019 № 491

Course status is **required**

Language: **English**

Political Economy // Working program of the discipline. - Dnipro: Dnipropetrovsk State University of Internal Affairs, 2020. – 13 p.

DEVELOPER:

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Considered at the meeting of the Department of Analytical Economics and Management on August 27, 2020, protocol № 1

Recommended by the Scientific and Methodological Council of the University
_____ 2020, protocol № ____

Approved by the Academic Council of the University, recommended for use in the educational process for three years " ____ " _____ 2020, protocol № ____

The purpose of studying the discipline "Political Economy": the formation of a system of theoretical knowledge about economic relations as a social form of production and ways to meet social needs in various socio-economic formations.

Prerequisites for studying the discipline "Economics" according to the school curriculum.

The results of the study of the discipline "Political Economy". According to the requirements of the educational program, applicants must know:

1) at the conceptual level: the essence of macroeconomic categories, the content of basic laws and principles of modern market economy, methods and means of state influence on the economy, indicators that characterize the efficiency of the economic system, the essence and components of macroeconomic policy (fiscal, monetary, foreign economic, social), research methods of macroeconomic processes, theoretical models and practical opportunities for economic growth.

2) at the fundamental level: the paradigm and methodology of cognition on the basis of economic analysis to systematize, clarify, summarize the facts concerning the mechanism of the market economy as a whole, and determine the main effective directions (models) of its development in the future, tools and mechanisms of state influence on macroeconomic proportions.

3) at the practical and creative level: the main macroeconomic indicators and indicators of macroeconomic development, practical opportunities for economic growth, to anticipate possible economic changes in society related to state policy, and their impact on personal activities and personal life.

be able:

- use basic knowledge of historical, cultural, political, social, economic principles of society.

- know the structure and features of the functioning of public administration and administration.

- use quantitative and qualitative methods of assessing the macro-, meso- and micro-environment of public organizations and use the results of such assessment in the process of preparation and management decisions.

Hours of the discipline:

Appendices 1. (updated annually).

4 credits (120 hours)

The program of the discipline

TOPIC 1. MACROECONOMICS AS A SCIENCE

Subject, functions and tasks of macroeconomics. The place of macroeconomics in the system of economic sciences. National economy: structure, system of interrelations. Macroeconomic policy and its subjects. Methods of research of national economy. Macroeconomic modeling. Exogenous and endogenous variables. Stocks and flows in the national economy. Macroeconomic models of circular flows of resources, product, costs and revenues.

TOPIC 2. MEASUREMENT OF RESULTS OF MACROECONOMIC DEVELOPMENT.

Theoretical principles and principles of building a national accounting system. Content and significance of the system of national accounts for macroeconomic analysis. 4 Indicators of national production. Gross domestic product (GDP), methodology and methods of its calculation. Macroeconomic indicators derived from GDP. Gross national income as an indicator of the nation's income. Distribution and redistribution of national income. Features of calculation of macroeconomic indicators in Ukraine. Nominal and real indicators. Economic indices. The latest macroeconomic indicators: human development index, economic freedom index, the level of economic globalization.

TOPIC 3. MICROECONOMIC FUNDAMENTALS OF MACROECONOMICS

Consumption and savings, their essence and measurement. Consumption and savings analysis tools. Functions of consumption and savings of JM Keynes. Marginal propensity to consume and marginal propensity to save. Consumption functions of S. Kuznets, I. Fischer and F. Modigliani. Life cycle theory. Consumption function in the life cycle model. Monetary theory of consumption. Hypothesis of living and permanent income. M. Friedman's theory of consumption. Analysis of investments and factors influencing investment decisions. Neoclassical and Keynesian investment models. Autonomous and induced investments. Cartoon effect of investments. Investment accelerator. Stock accelerator model.

TOPIC 4. MACROECONOMIC INSTABILITY AND UNEMPLOYMENT

Unemployment as a form of macroeconomic instability. The mechanism of functioning of the labor market. Factors influencing the ratio of supply and demand in the labor market. Unemployment as a deviation from equilibrium. Types of unemployment: frictional, structural, cyclical. Employment rate and unemployment rate. Actual and natural unemployment rate. Causes of unemployment. Economic and social consequences of unemployment. A. Oaken's law and curve. Means of state regulation of employment.

TOPIC 5. MACROECONOMIC INSTABILITY AND INFLATION

The essence and evolution of money circulation. National monetary system and its elements. Laws of money circulation.

Inflation as a macroeconomic phenomenon. Conditions and causes of inflation. Classification of inflation by criterion of level; by form of manifestation; predictability and reasons. Demand inflation: essence and causes. Inflation gap. Cost inflation: essence and causes. Inflation tax and seigniorage.

Laffer curve for inflation tax. Measuring inflation. Inflation rate and rate. Socio-economic consequences of inflation. Anti-inflation policy of the state and its role in stabilizing the economy.

TOPIC 6. MACROECONOMIC EQUILIBRIUM

Aggregate demand and the factors that determine it. Aggregate offer: classical and Keynesian models. Aggregate supply in the long and short term (classical and Keynesian models). Price and non-price factors of aggregate supply. General macroeconomic equilibrium: the model of aggregate demand and aggregate supply. Shocks of supply and demand. Stabilization policy of the state. Keynes's model of macroeconomic equilibrium ("Keynesian cross" model) and its variants. Actual and planned costs

TOPIC 7. FISCAL MACROECONOMIC POLICY

The essence, short-term and long-term goals and instruments of fiscal policy. State budget: its structure and functions. Government budget constraint. Taxation system. Tax multiplier. Government expenditures. Government expenditure multiplier. Balanced budget multiplier. The causes of the budget deficit and ways to cover it. Discretionary and non-discretionary fiscal policy. Built-in stabilizers. Fiscal policy in the classical and Keynesian models. Public debt: the main causes and consequences of its growth. Methods of public debt management. Theories of public debt. Theory of budget constraints. The impact of budget deficit and public debt on the national economy.

TOPIC 8. MONETARY MACROECONOMIC POLICY

Monetary macroeconomic policy: essence and institutional basis. Central bank: legal status, functions. The problem of central bank independence. The main mechanisms of monetary policy. Issuance policy of the state. Open market operations. Discount rate policy. Bank reserve policy. The policy of "expensive" and "cheap" money. Transmission mechanism and effectiveness of monetary policy. Monetary policy in classical and Keynesian models. Microanalysis of monetary regimes. Central bank response function. Features of the credit market in ensuring the flow of monetary processes (the theory of financial accelerator, the theory of information asymmetry).

TOPIC 9. THE STATE IN THE FUNCTIONING OF THE OPEN ECONOMY

The impact of foreign trade on GDP: the consumption function in an open mixed economy; complex cost multiplier; factors influencing net exports and the relationship with the exchange rate. Balance of payments of the country: structure, characteristics of its main sections. Balance of payments. Exchange rate: nature, types and impact on

foreign trade. Factors of supply and demand in the foreign exchange market. Stages of development of the international monetary system.

TOPIC 10. ECONOMIC GROWTH

Economic growth as a form of macroeconomic dynamics. Sources, factors and types of economic growth. Indicators of measuring economic growth. Ramsey's model of optimal economic growth. Keynes-Ramsey rule. Production functions as neoclassical models of economic growth. The economic content of the production functions of Cobb-Douglas and Cobb-Douglas-Tinbergen. Keynesian model of economic growth. Neo-Keynesian models of economic growth by O. Domar, R. Garrod and J. Hicks. The main prerequisites and growth model of R. Solow. The impact of capital stock and population growth on economic growth. The "golden rule" of accumulation as a criterion for maximizing consumption. N. Kaldor's model of economic growth.

Form of final control of learning success

Final control is a test of the level of acquisition of knowledge, skills, abilities and other competencies for the academic semester.

For the discipline "Macroeconomics":

I semester- credit;

II semester -exam

Criteria and means of assessing learning success

Calculation of the final grade in the discipline:

I semester

Current control (CC)			Final control credit (C)
Work in the class	Independent work	Individual work	
≤ 30	≤ 15	≤ 15	
≤ 60			
			≤ 40
Final grade for passing (FG= CC+C ≤ 100)			

II semester

Current control (CC)			Final control EXAM (E)
Work in the class	Independent work	Individual work	
≤ 30	≤ 15	≤ 15	
≤ 60			
			≤ 40
Final grade for passing the exam (FG= CC+E ≤ 100)			

The final grade in the discipline "Macroeconomics" is defined as the weighted average of the grades obtained by the student for each semester of study of the discipline. This grade is given in addition to the diploma.

For the discipline "Macroeconomics" the means of diagnosing knowledge (learning success) are: current control (can be provided in writing form, as well as in the form of computer testing, colloquium, evaluation of speeches at seminars, business or simulation games, etc., during training sessions, individual and independent work, using the distance learning system "Moodle").

Score	EXPLANATION
5	The issues submitted for consideration have been mastered in full; the necessary practical skills and abilities are formed at a high level; all educational tasks provided by the lesson plan are performed in full. During the lesson, stable activity and initiative were demonstrated. Answers to theoretical questions, solving practical problems, expressing one's own opinion on controversial issues is based on a deep knowledge of current legislation, theory and law enforcement practice.
4	The issues submitted for consideration have been mastered in full; mainly the necessary practical skills and abilities are formed; all training tasks provided by the lesson plan are performed in full with insignificant inaccuracies. Initiative was demonstrated during the lesson. Answers to questions, solving practical problems, expressing one's own opinion on debatable issues are mainly based on knowledge of current legislation, theory and law enforcement practice.
3	The issues submitted for consideration are generally mastered; practical skills and abilities are superficial, need further development and consolidation; educational tasks provided by the lesson plan are performed, some types of tasks are performed with errors
2	The issues submitted for consideration are partially mastered, the gaps in knowledge are not significant; practical skills and abilities are insufficiently formed; most of the learning tasks are completed, some of the completed tasks contain significant errors that need further elimination
1	Student is not ready for the lesson, does not know most of the program material, has difficulty performing tasks, uncertainly reproduces the terms and concepts considered during the lesson, makes meaningful mistakes, does not have the appropriate skills needed to solve professional tasks
0	Absence in class

Criteria for evaluating the independent work

Score	EXPLANATION
11-15	The questions submitted for independent work are mastered in full; the necessary practical skills and abilities are formed at a high level; all tasks provided by independent work are executed in full. Stable activity and initiative were demonstrated during independent work. Answers to theoretical questions and solving practical problems, expressing one's own opinion on debatable issues is based on a deep knowledge of current legislation, economic theory and practice.
6-10	The issues submitted for consideration have been mastered in full; mainly the necessary practical skills and abilities are formed; all the tasks provided by the plan are performed in full with insignificant inaccuracies. Initiableness was demonstrated during independent work. Answers to questions, solving practical problems, expressing one's own opinion on debatable issues are mainly based on knowledge of current legislation, economic theory and practice.
1-5	The issues submitted for consideration are generally mastered; practical skills and abilities are superficial, need further development and consolidation; the tasks provided by the plan of independent work are executed, some types of tasks are executed with errors. Some issues are partially mastered, gaps in knowledge are not significant; practical skills and abilities are insufficiently formed; most of the learning tasks are completed, some of the completed tasks contain significant errors that need further elimination.
0	The applicant is not ready to perform an independent task, does not know most of the software, has difficulty completing the task, makes meaningful mistakes, does not have the appropriate skills and abilities necessary to solve professional problems.

Criteria for evaluating the individual work

Score	EXPLANATION
11-15	e questions submitted for individual work are mastered in full; the necessary analytical skills and practical skills are formed at a high level; all calculation tasks provided by individual work are executed in full. Stable activity and initiative were demonstrated during individual work. Answers to theoretical questions and solving practical problems, expressing one's own opinion on debatable issues is based on a deep knowledge of current legislation, economic theory and practice.
6-10	The issues submitted for consideration have been mastered in full; mainly the necessary practical skills and abilities are formed; all the tasks provided by the plan are performed in full with insignificant inaccuracies. During individual work initiative was demonstrated. Answers to questions, solving practical problems, expressing one's own opinion on debatable issues are mainly based on knowledge of current legislation, economic theory and practice.

1-5	<p>The issues submitted for consideration are generally mastered; practical skills and abilities are superficial, need further development and consolidation; the tasks provided for in the plan of individual work are performed, some types of tasks are performed with errors.</p> <p>Some issues are partially mastered, gaps in knowledge are not significant; practical skills and abilities are insufficiently formed; most of the learning tasks are completed, some of the completed tasks contain significant errors that need further elimination.</p>
0	<p>The applicant is not ready to perform an individual task, does not know most of the program material, has difficulty completing tasks, makes meaningful mistakes, does not have the appropriate skills and abilities necessary to solve professional problems.</p>

For the discipline "Political Economy" the means of diagnosing knowledge are:
current control: surveys, written tasks, individual tasks;
intermediate control: written tasks on individual blocks of topics,
final control; final control - exam

Appendix 1

to the Work program on the discipline

APPROVE

Vice-rector of Dnipropetrovsk

State University of

internal affairs

_____ **Larisa NALIVAYKO**

HOURS OF THE COURSE

MACROECONOMICS

Educational **Bachelor's degree** Specialty **051 Economics**

for the 2020/2021 academic year

4 credits (150 hours)

Faculty of Social and Psychological Education and Management

Course 1 Group Б-ЕК-041ІІ

№	Topic	Total amount of hours	Work in the class				Individual work
			Total	Lectures	Seminars	Practical classes	
1	2	3	4	5	6	7	8
1	Macroeconomics as a science	10	4	2	2	0	6
2	Measuring the results of macroeconomic development.	12	6	4		2	6
3	Microeconomic foundations of macroeconomics	14	8	4		4	6
4	Macroeconomic instability and unemployment	12	6	2		4	6
5	Macroeconomic instability and inflation	12	6	2		4	6
	Total per semester	60	30	14	2	14	30
	Final control	credit					
6	Macroeconomic equilibrium.	15	6	4	0	2	12
7	Fiscal macroeconomic policy	17	6	4	2	2	10
8	The state in the functioning of an open economy	19	6	4	2	2	10
9	Держава у функціонуванні відкритої економіки	13	6	4	2	2	10
10	Economic growth		6	2	2	2	12
	Total per semester	90	36	18	8	10	54
	Total per year	150	66	32	10	24	84
	Final control	exam					

at the meeting of the Department of Analytical Economics and Management on
August 27, 2020, protocol № 1

**INFORMATIONAL AND METHODOICAL
PROVISION OF THE EDUCATIONAL DISCIPLINE**

MACROECONOMICS

Educational **Bachelor's degree Specialty 051 Economics**

for the 2020/2021 academic year

References

Basics

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Data Sources

1. Organisation for Economic Co-operation and Development / International Monetary Fund
2. International Labor Organization Statistics (LABORSTA)
3. Inter-university Consortium for Political and Social Research / Economic Time Series /
4. Econ Data & Links / Local Census / Other Statistical Sources
5. Peter Flora, *State, Economy and Society in Western Europe 1815-1975: A Data Handbook* (St. James Press, 1983).
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Head of the department

Serhii IVANOV