



5.00 credits

30.0 h

Q2

Teacher(s)	De la Croix David ;de Walque Grégory (compensates De la Croix David) ;
Language :	French
Place of the course	Louvain-la-Neuve
Main themes	We start with an empirical part, in which we decompose macroeconomic time series into trend and cycle components. The inspection of cyclical parts gives then hints to build and evaluate subsequent theory. To study the key tradeoff mentioned above, we develop a two-period model which allows to introduce expectations in a simple way. The method consists in analyzing the general equilibrium and its properties. We shall at least develop the following themes: Effect of productivity shocks, effect of fiscal policy and its financing, openness to trade, money and inflation, exchange rate regimes. We shall also compare the predictions of the neoclassical approach with the one with the Keynesian ISLM ones which have been seen in the BA course. We all compare with a multiple equilibria set-up. During the lectures, we shall establish numerous links with other courses (for example one can discuss the first welfare theorem, the theory of comparative advantages...)
Learning outcomes	<p><b>At the end of this learning unit, the student is able to :</b></p> <p>At the end of the course, students should have the following four competencies. (1) To understand some important tradeoffs agents face (consumption/leisure, consumption/saving, money holdings/bond holdings, investment by firms). (2) To know how these tradeoffs are modified by the fundamental parameters of the economy, by expectations and by policies. (3) To be able to analyze the global consequences of individual choices and the determination of equilibrium. (4) To understand how this equilibrium is affected by shocks</p>
Evaluation methods	Written or oral evaluation to assess the students' understanding of the methods and tools seen in class.
Teaching methods	Ex cathedra teaching, exercises et applications.
Bibliography	Williamson, Macroeconomics, Pearson. + lectures choisies
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [60] in Economics : General	ECON2M1	5		
Master [120] in Mathematical Engineering	MAP2M	5		
Master [120] in Economics: General	ECON2M	5		