

Intermediate Macroeconomics – 7.5 credits
Intermediate level, autumn 2009

Lecturer: *Lars Calmfors*

Lecture plan

Date	Time	Room	Contents
Fri Aug 28	8.45-12	E10	Saving, investment, budget balance and real interest rates in closed economies. The relationship between budget balance and the current account in open economies. The determination of the real exchange rate. Global imbalances. <i>Mankiw and Taylor 3 and 5.</i>
Wed Sep 2	9-12	G-salen	Economic growth. The situation of Sweden. Growth accounting. The Solow model and theories of endogenous growth. <i>Mankiw and Taylor 3, 7-8.</i>
Mon Sep 7	13-16	D8	Unemployment. Theories of equilibrium unemployment. Employment in the Nordic countries, continental Europe and Anglo-Saxon countries. Wage setting and employment. Recent Swedish labour market reforms. <i>Mankiw and Taylor 6, Swedish Fiscal Policy Ch. 5, OECD Ch. 4.</i>
Thu Sep 10	13-16	G-salen	Nominal exchange rates and interest rates. Spot and forward foreign exchange markets. Monetary policy and exchange rates. <i>Krugman-Obstfeld 13-14.</i>
Wed Sep 16	9-12	G-salen	The long-run relationship between prices and exchange rates. Output and flexible exchange rates in the short run. The effects of monetary and fiscal policy under a flexible exchange rate. <i>Krugman-Obstfeld 15-16.</i>

Mon Sep 28	9-12	B4	Output and fixed exchange rates. The effects of monetary and fiscal policies under a fixed exchange rate. Exchange rate crises and exchange rate systems. <i>Krugman-Obstfeld Ch. 17.</i>
Wed Sep 30	9-12	G-salen	Optimal currency areas. Benefits and costs of EMU membership. Macroeconomic adjustment in the euro area. The euro and the new EU member states. <i>Krugman-Obstfeld 20.</i>
Wed Oct 07	13-16	D8	Aggregate supply and the importance of inflation expectations. Inflation and unemployment. The degree of activism in stabilisation policy. Monetary policy and independent central banks. The Taylor rule. The monetary policy of the Riksbank and the ECB. The financial crisis, world recession and monetary policy. <i>Mankiw and Taylor 13-14, OECD Ch. 1, Swedish Fiscal Policy Ch. 1.</i>
Mon Oct 12	9-12	D8	Consumption and forward-looking households. Budget deficits and the effectiveness of fiscal policies. Ricardian equivalence. Fiscal policy in the current economic crisis. <i>Mankiw and Taylor 15 and 17, Swedish Fiscal Policy Chs. 1-3, OECD Chs. 1 and 4.</i>
Wed Oct 21	9-12	D8	The relationship between budget deficits and long-run debt. Fiscal rules. Fiscal policy institutions. Long-run sustainability of fiscal policy and an ageing population. <i>Mankiw and Taylor 15, Swedish Fiscal Policy Chs. 1-3 and Appendix 1, OECD Chs. 1 and 4.</i>