ISM UNIVERSITY OF MANAGEMENT AND ECONOMICS

APPROVED BY
THE STUDY COMMISSION
Minutes No. 02-12-2026-02
as of 15th January 2026

INTERMEDIATE MACROECONOMICS

Course code	*ECO129*
Compulsory in the programmes	*Economics and Data Analytics, Economics and Politics*
Level of studies	*Undergraduate*
Number of credits	*6 ECTS (46 in-class hours + 2 consultation hours + 4 exam hours, 110 individual work hours)*
Course coordinator (title and name)	*Dr. Marius Kušlys*
Prerequisites	*Macroeconomics, Mathematical Methods in Economics*
Language of instruction	*English*

THE AIM OF THE COURSE:

This is a course in intermediate macroeconomics, designated for students with knowledge in economics, mathematics, and econometrics. Its objective is to introduce students to intermediate-level macroeconomic models and theories. The course covers long-run economic growth theories, short-term economic fluctuations, monetary policy models, political-economy theories of fiscal policy. Through this course, students will develop analytical skills to critically assess macroeconomic policies and their impact on national and global economies.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Learning objectives for BSc in Social Science	Assessment methods	Teaching methods
CLO1. Analyse and differentiate key macroeconomic theories	ELO1.1.	Midterm exam, group project, final exam	Lectures, individual study, group study
CLO2. Apply classical theory to long-run economic analysis	ELO1.1., ELO1.2.	Midterm exam	Lectures, seminars, individual study
CLO3. Critically evaluate economic growth theories	ELO1.2.	Midterm exam, group project	Seminars, individual study, group study
CLO4. Analyze and interpret theories of short-run economic fluctuations	ELO1.1., ELO1.2.	Final exam, group project	Lectures, seminars, individual study
CLO5. Assess economic policy effectiveness	ELO1.1., ELO1.2.	Group project, final exam	Lectures, seminars, individual study, group study
CLO6. Model macroeconomic phenomena using algebra, calculus, and graphical methods	ELO1.2.	Midterm exam, final exam	Lectures, seminars, individual study
CLO7. Develop research skills in macroeconomics	ELO4.2., ELO4.3.	Group project	Seminars, group study

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

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COURSE OUTLINE

Topic	In-class hours	Readings
1. **Introduction. A Model of Production.** The science of macroeconomics. Determinants of total production, distribution of national income.	4	[2] Ch. 1-4
2. **Economic Growth I.** The Solow growth model (1): introduction, the dynamics of the model, golden rule level of capital.	4	[1] Ch. 1.1-1.4 [3] Ch. 2
3. **Economic Growth II.** The Solow growth model (2): quantitative implications, empirical applications.	4	[1] Ch. 1.5-1.7 [3] Ch. 3
4. **Economic Growth III.** Introduction to endogenous growth theory.	4	[2] Ch. 6 [3] Ch. 4-5
5. **Economic Growth IV.** Cross-country income differences, social infrastructure, the importance of institutions, empirical applications.	4	[1] Ch. 4 [5] Ch. 8
MIDTERM EXAM	2	
6. **An Introduction to the Short-Run.** The IS curve. Monetary policy and the Philips curve.	4	[2] Ch. 9, 11, 12
7. **Stabilization Policy and the AS-AD Model.** The aggregate demand curve. The aggregate supply curve. Macroeconomic events in the AS-AD model.	4	[2] Ch. 13, 14
8. **Consumption and investment.** Consumption function, intertemporal choice, life-cycle hypothesis, permanent-income hypothesis, random-walk hypothesis, the pull of instant gratification; the determinants of investment, the stock market and Tobin's q.	4	[4] Ch. 19 [2] Ch. 16, 17
9. **Labour market and unemployment.** Efficiency-wage model, the Shapiro-Stiglitz model.	4	[1] Ch. 11
10. **Monetary policy.** Introduction to economic policy, optimal monetary policy model, the zero-lower bound.	4	[1] Ch. 12 [2] Ch. 20
11. **Fiscal policy.** Ricardian equivalence, political-economy theories of budget deficits.	4	[1] Ch. 13 [2] Ch. 18
	Total: 46 hours	
CONSULTATIONS	2	
FINAL EXAM	2	

FINAL GRADE COMPOSITION

Type of assignment	**%**
Group Components 25%	
Research Project	25
Individual Components 75%	
Participation	15
Midterm exam (topics 1-5)	30
Final exam (topics 6-11)	30
Total:	**100**

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

1. **Midterm and Final Exams.** The midterm examination counts for 30% and the final examination counts for 30% of the final grade. The exams will consist of problems that are based on the material presented in class and required readings related to the topics presented. The exams will cover all theoretical issues presented in this syllabus and discussed or presented in the practice sessions.
2. **Research project** counts for 25% of the final grade. Students work in groups of 2 students. The specific tasks will be presented during the first seminar.
3. **Participation** counts for 15% of the final grade. Students are expected to actively participate in lectures and seminars and complete the assigned tasks. Absence from a lecture or seminar will proportionally reduce the participation grade.

Precision of composite evaluations is left intact (up to 2 decimal places) until the end of the course and only the final evaluation will be subject to rounding.

RETAKE POLICY

Students who receive a failing final grade shall have the right to re-take the exams, which will comprise **60%** of the final grade and cover all topics of the course. Midterm exam and final exam results will be annulled

REQUIRED READINGS

1. Romer, D. (2019). *Advanced Macroeconomics*. Boston: McGraw-Hill.
2. Jones, C. I. (2024). Macroeconomics (6th ed.). W. W. Norton & Company.
3. Jones, C. I., & Vollrath, D. (2024). Introduction to economic growth (4th ed.). W. W. Norton & Company.

ADDITIONAL READINGS

4. Mankiw, N. G. (2019). *Macroeconomics*. 10th edition. New York: Macmillan International.
5. Acemoglu, D., Laibson, D., & List, J. (2021). Macroeconomics (3rd ed.). Pearson.
6. Gillman, M. (2011). Advanced modern macroeconomics: analysis and application.: Financial Times Prentice Hall, 2011. 604 p. ISBN 9780273726524.
7. Scarth, W. (2014). *Macroeconomics: the development of modern methods for policy analysis*. Cheltenham: Edward Elgar.
8. Sørensen, P. B., & Whitta-Jacobsen, H. J. (2010). *Introducing advanced macroeconomics: Growth and business cycles*. London, Boston: McGraw-Hill.
9. Barro, R. J. (2017). *Intermediate Macroeconomics*, 1st ed. Cengage Learning
10. Acemoglu, D. (2008). *Introduction to Modern Economic Growth*. Princeton University Press

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ANNEX

DEGREE LEVEL LEARNING OBJECTIVES

Learning objectives for the Bachelor of Business Management
Programmes:
International Business and Communication,
Business Management and Marketing, Finance,
Industrial Technology Management

Learning Goals	Learning Objectives
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

Learning objectives for the Bachelor of Social Science
Programmes:
Economics and Data Analytics,
Economics and Politics

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1.Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1.Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2.Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper