



# Exchange programme Vrije Universiteit Amsterdam

Vrije Universiteit Amsterdam - Exchange programme Vrije Universiteit Amsterdam - 2024-2025

## Exchange

Vrije Universiteit Amsterdam offers many English-taught courses in a variety of subjects, ranging from arts & culture and social sciences, neurosciences and computer science, to economics and business administration.

The International Office is responsible for course approval and course registration for exchange students. For details about course registration, requirements, credits, semesters and so on, please [visit the exchange programmes webpages](#).

# The Economics of Crises

Course Code	E_MUE_TEC
Credits	6
Period	P2
Course Level	300
Language Of Tuition	English
Faculty	School of Business and Economics
Course Coordinator	dr. M. Mastrogiacomo
Examiner	dr. M. Mastrogiacomo
Teaching Staff	dr. M. Mastrogiacomo
Teaching method(s)	Lecture, Study Group

## Course Objective

The objective of the course is to introduce students to the difference between different types of crises, such as the present one (caused by an exogenous event, a pandemic plus a war and subsequent inflation) and that of 2008-2012 (that was caused by a financial bubble). To do so, we review theory and practice of macroeconomic, fiscal and monetary policy, including regulation of the financial system.

Specific learning outcomes upon completion of this course are:

- Ability to set the present economic situation caused by a pandemic, a war, and high inflation, in a broader context, evaluating policies to restore public health and economic activities.
- Ability to apply macroeconomic concepts and theories to analyze problems of employment and inflation and measurement of Business Cycles.
- Capability to analyze the role of macroeconomic policymakers in managing money, banking and the business cycles.
- An understanding of the policy problems facing central banks, with a focus on monetary policy and financial stability.
- An understanding of the policy problems facing governments, with a focus on fiscal policy.
- Understand the origin of economic crises, mostly if exogenous (corona crisis, aggression to Ukraine) or debt-driven (financial crisis), and the effects of fiscal and monetary policy.

## Course Content

We investigate the origin and approach to the current economic swings and the previous (financial) crisis looking at these issues from different perspectives. So, for the present crisis, we debate mostly the policy response of national governments, the ECB and the EU, and the effect of the preset geopolitical crisis on inflation and growth. For the previous crisis we discuss the common narrative (the banks were guilty) but also the micro view on the role of indebtedness (we did it!). Which explanations will convince you the most? The course discusses Macroeconomic policies intended to affect and dampen the business cycles linked to a crisis. We discuss the roles of different authorities in conducting macroeconomic policies aimed at preventing a crisis or at restoring the economic activity after a crisis hits. Relevant topics are for instance: economic activity after a pandemic, money creation, control of the interest rates, central banking and the stabilizing role of fiscal policy with a specific focus on health care expenditures.

## Additional Information Teaching Methods

In this course the tutorials have COMPULSORY attendance. This course consists of a series of lectures and tutorials in small groups. Assuming that by the time this course starts didactics will be allowed on campus, the lectures (each week 2 lectures of 2 hours each) aim at informing students about the content of the course. The traditional set-up is interrupted by short discussions using different multimedia devices. The tutorials (small size, each week 1 lecture of 2 hours each) aim at stimulating active participation of the students, in group but also individually. These are typically arranged in the form of debates, round table discussions or the simulation of an academic conference. Participation in the tutorial is compulsory. Students prepare individual assignments; these are (partly) handed in before the tutorial (deadlines change depending on the tutorial, check on Canvas). Group discussions on the reading material, as well as presentations in which insights are applied and reflected on, are partly evaluated during tutorials. Solving problem sets, and discussing economic data are part of the tutorials too.

## Method of Assessment

Exams will take place around mid-December and a re-sit opportunity is offered in the second half of March. For details, please check information disseminated on VUNet or posted on the website [rooster.vu.nl](http://rooster.vu.nl). Exams last approximately 2 hours. Course grade is determined as follows: exam grade needs to be 5.0 or higher – in that case: 30% from hand-in assignments, 70% from written exam; else: exam grade. To those who participate into less than 4 (compulsory) tutorials and/or do not deliver their tutorial work, one point will be subtracted from the tutorial grade. Not attending the tutorials makes it nearly impossible to pass this course.

## Entry Requirements

Textbook:

- Acemoglu, Daron, David Laibson and John A. List, 2016, Economics. Harlow, Essex: Pearson Education Ltd. ISBN13: 978-1-292-07920-2 This book should be familiar from earlier Minor Economics courses on Fundamentals of Microeconomics and Development of Macroeconomic Thought.