



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](#).

Macroeconomics I

Course Code	E_EBE1_MACEC
Credits	6
Period	P4
Course Level	100
Language Of Tuition	English
Faculty	School of Business and Economics
Course Coordinator	dr. B.A. Brugemann
Examiner	dr. B.A. Brugemann
Teaching Staff	M.J. van der Meijden BSc, P.D. Schirmer, dr. B.A. Brugemann
Teaching method(s)	Instruction course, Study Group, Written partial exam, Lecture

Course Objective

BRIDGING THEORY AND PRACTICE - Knowledge

After successfully completing this course, you can demonstrate knowledge of the fundamental concepts that economists have developed to think about the performance of economies as a whole in the short and long run.

BRIDGING THEORY AND PRACTICE- Application

After successfully completing this course, you can connect arguments about macroeconomic issues in the news and public debate to relevant macroeconomic concepts and empirical evidence. Conversely, you can use such concepts and evidence in a critical way to participate in the public discussion of concrete macroeconomic issues.

Course Content

Macroeconomics studies the performance of economies as a whole: of national economies such as the Netherlands, of groups of countries such as the European Union, or the global economy. This performance has a major direct impact on the well-being of everyone, including yourself. Most likely it will also influence the decisions you will make as a future professional economist, both for jobs in business and in the public sector.

Macroeconomics studies economic performance in the short run as well as in the long run. Here the short run refers to next couple of years, and in this context macroeconomists study issues such as recessions and financial crises. The long run includes issues such as technological change and economic development.

In this course we take discussions of two concrete macroeconomic issues in the news and in the public debate as our starting point for exploring the fundamentals of macroeconomics. The first issue is how macroeconomic policy in the Euro area should deal with the current situation of slowing inflation and slow growth (this was the issue studied by the course in 2024, the actual issue for 2025 will be determined by current developments). This is primarily related to the short run, which is our focus in Weeks 1-3.

In Weeks 4-6 we switch to the long run. Here you and all your fellow students will vote in Week 4 to choose an interesting issue that is currently in the news and public debate. To narrow things down a bit, this year we choose an issue within the broad theme of the macroeconomic role of demographics and migration (again, this is the broad theme we focused on in 2024, and it may change for 2025 based on current developments).

The main thing we do in the course is to examine how the findings of academic macroeconomics can help us better understand the two concrete issues. By studying the course materials we develop knowledge of fundamental concepts. We apply this knowledge by revisiting the arguments and views that we encounter in the news and public debate, examining whether they are consistent with each other, and potentially noticing limitations of the academic understanding of macroeconomics.

One of the main assignments in the course is a column that is inspired by the well known economics substack Noahpinion. As a starting point, you identify discussions in the news and public debate, and write a column that makes connections between the arguments in these discussions and the concepts we studied in the course.

Additional Information Teaching Methods

In this course we follow use Active Blended Learning (ABL), which is one of the key design principles of education at VU. In particular, we use an approach called flipped learning, which is becoming more common at all levels of education and you may already be familiar with it from other courses or school. Here we just explain the basic idea

and how we implement it. The explanation may look a bit lengthy at first sight. But reading it is a worthwhile investment and will set you up for success in this course.

The key idea of flipped learning is to match up the difficulty of learning outcomes with the access to help and support from teachers and peers. You work on more advanced outcomes when teachers and peers are available to help, and on more basic things by yourself. In macroeconomics and other fields, the simplest learning outcome is a basic knowledge of concepts. For example, the definition of the inflation rate is relatively straightforward and explained very well in the textbook, so you can attain a basic knowledge of this concept by yourself. More advanced outcomes involve the ability to apply this knowledge, for example working out step by step in an economic model how a change in the interest rate set by the ECB changes the inflation rate, explaining this mechanism in your own words, and connecting this to what Christine Lagarde said about the latest ECB decisions.

In this course you have the most access to help from teachers and peers in class meetings and workgroups. Thus, this is where we work on more advanced outcomes. Of course, one needs to attain the basic outcomes before being able to work on the advanced ones. Thus, you work on attaining the basic outcomes by doing a Guided Preparation Assignment (GAP) before the corresponding meetings.

Attaining advanced outcomes usually requires that you actively do something. You cannot learn how to do a handstand only by listening to someone talk about it, you have to actively practice doing it. Similarly, to be able to study the effects of a policy change in a macroeconomic model, you need to actively do it. Thus, active learning plays an important role in class meetings and especially in workgroups. For example, in class meetings we may ask you to discuss the application of a concept with your neighbours. In workgroups, you may solve analytical problems and/or discuss whether you find the implications of a theoretical analysis convincing.

This approach is called flipped learning because in traditional education the sequence of learning activities is often reversed. All concepts including basic ones are introduced in lectures, with the option to ask questions but often little opportunity to actively engage with the concepts. Much of the more advanced work like applications takes place outside of class meetings, when support from teachers and peers is less readily available.

In this course, since you do a GAP before class meetings, the meeting itself does not cover all concepts via lecture. This does not mean that there is no lecturing at all. The activities we do often reveal that there are still some misconceptions, which we can then address through short lectures. We also use a few mini lectures to introduce some challenging content that is not covered in our textbook.

The GAPs provide detailed instructions about which course materials to study and which basic outcomes you are expected to attain. They also mention the more advanced outcomes we work on in meetings, so that it is clear that you are not expected to already attain them in the preparation. The GAPs provide multiple-choice questions about the basic outcomes, allowing you to actively engage with the concepts while studying and get some immediate feedback on whether you are on the right track.

When working on the GAPs you also make annotations on the social e-reader Perusall, which is a tool available in Canvas for collaboratively annotating readings, video, and audio. You will be in a group with the same people that are also in your workgroup. You can ask questions, make comments, respond to questions and comments from your peers, and include teachers in the conversation with an @-mention. This is another way of actively engaging with the concepts, and also gives you some support from peers and teachers outside of the face-to-face meetings.

You receive credit for your work on each GAP in two ways: by achieving a passing score for the quality and quantity of your annotations in Perusall, and by passing an individual quiz.

Method of Assessment

Exam 1 (digital) – Individual assessment: 35%

Exam 2 (digital) – Individual assessment: 35%

Guided Preparation Assignments (Annotations in Perusall & Pass/fail individual quizzes), 15%

Column – Group assessment, 15%

Entry Requirements

None.

Literature

As our primary resource, we use the free open access ebook *The Economy* by CORE Econ. The book is available at <https://www.core-econ.org/>.

Additional Information Target Audience

The course is intended for students of the Bachelor's Economics and Business Economics, the Bachelor's Econometrics and Operations Research, and the Bachelor's Econometrics and Data Science, but could be of interest to Bachelor students of any faculty.

Recommended background knowledge

Some concepts from microeconomics: graphical analysis of constrained optimization problems in two dimensions; simultaneous games with two actions

Some concepts from mathematics: algebraic solution of linear equations