

TEMPLATE OF THE MAJOR EXAM CARD

Curriculum name	Ekonomia i finanse w zakresie ekonomia	
Major exam name	Makroekonomia	
<i>Exam name in English</i>	<i>Macroeconomics</i>	
Authors of the major exam card	Prof. dr hab. Michał Brzoza-Brzezina	
	Dr hab. Krzysztof Makarski, prof. SGH	
Exam form	E.g. written - 150 min	
Thematic scope of the exam		
1	<p>Topic 1: Economic growth and technological progress</p> <ul style="list-style-type: none"> - Economic growth: empirical facts - Real and nominal convergence: causes of presence or absence, facts about convergence in the modern world - Exo- and endogenous technical progress in growth models (Solow model vs. Romer model) - Endogenous savings: Ramsey model, model derivation, steady state, effects of selected shocks, Ricardian equivalence 	
2	<p>Topic 2: The business cycle and monetary policy:</p> <ul style="list-style-type: none"> - Cyclical properties of the economy: empirical facts - Monetary policy: monetary transmission mechanism, standard and non-standard monetary policy instruments - Real Business Cycle (RBC) model: model derivation, dynamic properties of the model, costs of cyclical fluctuations, implications of the model for counter-cyclical policy - New Keynesian (NK) model: model derivation, dynamic properties of the model, monetary policy in the NK model, implications of the model for countercyclical policy - Microeconomic empirical observations on price behavior and their implications for macroeconomics <ul style="list-style-type: none"> - basic microeconomic empirical observations on the behavior of prices - implications for macroeconomics of empirical observations on price behavior, in particular for the evaluation of macroeconomic models (RBC vs NK) and the effectiveness of monetary policy 	

3	<p>Topic 3: Fiscal Policy:</p> <ul style="list-style-type: none"> - The government spending multiplier in the empirical literature - Government spending multiplier in RBC, NK and OLG models - The effect of crowding out private consumption by government spending: theory vs. empirical evidence - Ways of modifying standard models in order to bring their results closer to empirical observations (non-Ricardian households (hand-to-mouth), government spending in the utility, finite lifetime horizons).
4	<p>Topic 4: Heterogeneity and non-rational behavior</p> <ul style="list-style-type: none"> - Lifecycle behavior of households and income distribution: empirical facts - Overlapping generations (OLG) model: model derivation, competitive equilibrium, dynamic properties of the model - Fiscal policy in the OLG model: Pareto efficiency, optimal fiscal policy, dynamic efficiency and inefficiency - Rational expectations: theoretical assumptions and empirical observations. Selected ways and effects of departing from the assumption of rational expectations in macroeconomic modelling
Basic literature	
1	Jones, C. & Vollrath, D. (2013): Introduction to Economic Growth. Wiley;
2	Wickens, M. (2012) <i>Macroeconomic Theory</i> , Princeton University Press
Supplementary literature	
1	Blanchard, O. & R. Perotti, 2002. "An Empirical Characterization of the Dynamic Effects of Changes in Government Spending and Taxes on Output," <i>The Quarterly Journal of Economics</i> , Oxford University Press, vol. 117(4), pages 1329-1368.
2	Tomasz Chmielewski & Mariusz Kapuściński & Andrzej Kocięcki & Tomasz Łyziak & Jan Przystupa & Ewa Stanisławska & Ewa Wróbel, 2018. "Monetary transmission mechanism in Poland. What do we know in 2017?," NBP Working Papers 286, Narodowy Bank Polski
3	Clarida, R., Gali, J. Gertler, M. 1999 "The Science of Monetary Policy: A New Keynesian Perspective," <i>Journal of Economic Literature</i> , 37(4), 1661-1707.
4	Jones, C. I. 1995. "R&D-based Models of Economic Growth" <i>Journal of Political Economy</i> , 103, 759-784.
5	Lucas, R. 2003. "Macroeconomic priorities," <i>American Economic Review</i> , 93(1): 1-14.

6	Galí, J., J.D. López-Salido, J. Vallés, 2007. "Understanding the Effects of Government Spending on Consumption," Journal of the European Economic Association 5(1): 227-270.
7	Ramey, V. A., 2011. "Can Government Purchases Stimulate the Economy?" Journal of Economic Literature, 49(3): 673-85.
8	Ramey, V. A., 2019. "Ten Years after the Financial Crisis: What Have We Learned from the Renaissance in Fiscal Research?," Journal of Economic Perspectives, 33(2): 89-114.
9	Baxter, M., King, R. (1993) Fiscal Policy in General Equilibrium, American Economic Review 83: 315-344.
10	Emi Nakamura & Jón Steinsson, 2013. "Price Rigidity: Microeconomic Evidence and Macroeconomic Implications," Annual Review of Economics, 5(1): 133-163.
11	Brzoza-Brzezina. M. & Suda, J. 2021. "Are DSGE models irreparably flawed?," Bank i Kredyt, Narodowy Bank Polski, vol. 52(3), pages 227-252.
12	Notes from the course „Macroeconomics”
Name of the major subject related in terms of the curriculum with the major exam	
1	Macroeconomics