

Introduction to Macroeconomics | ECP77013

Year	1
ECTS Credits	5
Contact Hours	8 hours of lectures and 4 hours of tutorials
Pre-Requisite	Nil
Semester	1
Module Leader and Lecturer	Professor Vitaliia Yaremko
Contact Email	vyaremko@tcd.ie

Module Outline:

What behaviours determine aggregate consumption and investment? This course studies macroeconomic theories that attempt to answer this question and discusses how the answers may inform economic policies.

Module Content:

1. Consumption: Utility functions. Permanent income hypothesis. Precautionary savings.
2. Consumption-based asset pricing. Equity premium puzzle.
3. Production and Investment. Investment with and without adjustment costs (Q Theory).

Learning Outcomes

On completion of the module, students will be able to:

1. exposit and critically appraise modern theoretical models of the determination of the major macroeconomic variables in light of empirical evidence.
2. use appropriately the main techniques and methodologies employed in macroeconomic theory.

Assessment:

Assessment for the module is based on a final exam accounting for 70% of the grade. In addition, students will hand in weekly problem sets making up the remaining 30%.

Reading

Readings will be drawn from a selection of academic papers. Overviews of some of the core material covered in the module are provided in several textbooks.

Main textbook:

- Romer, D. (2012 or later editions). Advanced macroeconomics. McGraw-Hill.

Recommended textbooks:

- Carlin, W. and Soskice D. (2015). Macroeconomics: Institutions, Instability, and the

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- Financial System. Oxford University Press.
- Obstfeld, M. and Rogoff, K. (1996). Foundations of international macroeconomics. MIT Press.
 - Sorensen, P.B. and Whitta-Jacobsen, H.J. (2010). Introducing Advanced Macroeconomics: Growth and business cycles. McGraw-Hill.