



## COURSE DESCRIPTION

### 1. Information about the programme

1.1 Institution of higher education	<b>Alexandru Ioan Cuza University of Iasi</b>
1.2 Faculty	<b>Faculty of Economics and Business Administration</b>
1.3 Department	<b>Department of Finance, Money and Public Administration</b>
1.4 Field of study	<b>Finance</b>
1.5 Level	<b>Master</b>
1.6 Study programme/ Qualification	<b>Finance and Risk Management</b>

### 2. Information about the course

2.1 Course name	<b>Monetary and financial macroeconomics</b>						
2.2 Course coordinator	<b>Irina BILAN</b> (Associate Professor, PhD)						
2.3 Seminar coordinator	<b>Irina BILAN</b> (Associate Professor, PhD)						
2.4 Year of study	<b>1</b>	2.5 Semester	<b>1</b>	2.6 Type of assessment	<b>EVP</b>	2.7 Course status	<b>E</b>

\* C - Compulsory / E - Elective

### 3. Total estimated time (hours allotted to teaching activities per semester)

3.1 Number of hours per week	<b>3</b>	of which: 3.2 lecture	<b>2</b>	3.3 seminar/lab	<b>1</b>	
3.4 Number of hours in the curriculum	<b>42</b>	of which: 3.5 lecture	<b>28</b>	3.6 seminar/lab	<b>14</b>	
Time distribution						hrs
Study of the textbook, coursebook, bibliography and lecture notes						<b>32</b>
Additional research in the library, online and on the field						<b>16</b>
Preparation of seminars/labs, homework, projects, portfolios and essays						<b>21</b>
Tutorials						<b>10</b>
Assessment						<b>4</b>
Other activities.....						
3.7 Total number of self-study hours						<b>83</b>
3.8 Total number of hours per semester						<b>125</b>
3.9 Number of credits						<b>5</b>

### 4. Prerequisites (if applicable)

4.1 Curriculum-based	<b>Not applicable</b>
4.2 Competence-based	<b>Not applicable</b>

### 5. Conditions (if applicable)

5.1 For lectures	<b>Not applicable</b>
5.2 For seminars / labs	<b>Not applicable</b>



**6. Specific competencies**

<b>Professional competencies</b>	<p><b>C1.</b> Analysis of the theoretical and practical aspects of financial markets, models, instruments that are used in the management of risks.</p> <p><b>C2.</b> Adequate use of mathematical and statistical concepts, methods and techniques in assessing risks and performing independent research in finance.</p> <p><b>C3.</b> Evaluation of the main risk factors for organizations and financial systems.</p> <p><b>C4.</b> Implementing effective financial management and reporting within the business environment to ensure value creation.</p> <p><b>C5.</b> Ensuring effective and appropriate governance and management of risk within an organization, in the context of an overall ethical framework.</p>
<b>Transversal competencies</b>	<p><b>CT1.</b> Application of the professional ethical norms and values in decision-making and undertaking of complex professional tasks, independently or within a team.</p> <p><b>CT2.</b> Human resources planning within a group or organization, in the context of awareness of own responsibility for professional outcomes.</p> <p><b>CT3.</b> Assuming the need for continuous development to create prerequisites for career progression and adapt own professional and managerial competencies to the economic dynamics.</p>

**7. Course objectives** (provided by the specific competencies grid)

<b>7.1. Main objective</b>	This course aims to provide the students with the knowledge, skills and competence on the functioning and interdependencies between the real, monetary, and financial sectors of the economy, from a macroeconomic perspective.
<b>7.2. Specific objectives</b>	<p>On completion of the course, the students will be able to:</p> <ul style="list-style-type: none"> <li>▪ Calculate and interpret specific macroeconomic indicators on GDP, labor force participation and unemployment, inflation, interest rate, etc.;</li> <li>▪ Explain how physical capital, human capital, and technological progress determine the total output of an economy and economic growth, and how national income is distributed to the factors of production;</li> <li>▪ Explain the functioning of the monetary system and the linkages between money, inflation and interest rates;</li> <li>▪ Distinguish between different types of exchange rates and exchange rates regimes and explain the effects of exchange rates on international trade and capital flows;</li> <li>▪ Describe the roles and tools of fiscal and monetary policies and compare their relationship with economic growth, inflation, interest and exchange rates, in closed and open economies;</li> <li>▪ Describe the business cycle and how consumer and business activity, housing sector activity and external trade vary over the business cycle;</li> <li>▪ Discuss the effects of monetary and fiscal policies on business cycles and their interaction, using specific models for closed and open economies;</li> <li>▪ Critically analyze the macroeconomic policy mix in various countries.</li> </ul>

**8. Content**

8.1	Lectures	Teaching methods	Observations (hours & readings)





1.	Overview of key macroeconomic statistics	Lecture, discussions	2hrs: PP(5), M(2)
2.	National income. Some basic macroeconomic identities	Lecture, discussions	3hrs: PP(5), M(3), BW(2)
3.	The theory of money, inflation and interest rates	Lecture, discussions	3hrs: PP(7), M(4,5), BW(6,9)
4.	Open economies and exchange rates	Lecture, discussions	4hrs: PP(8,9), M(6), BW(6,15)
5.	1 <sup>st</sup> midterm exam	Written test	2hrs
6.	Introduction to economic fluctuations. The aggregate demand and supply model	Lecture, discussions	2hrs: PP(5,6), M(10), BW(12)
7.	Building the IS-LM model	Lecture, discussions	2hrs: M(11), CG(8,9)
8.	Applying the IS-LM model. Policy mix in a closed economy	Lecture, discussions	3hrs: PP(7), M(12), CG(8,9), KW(13,15)
9.	The Mundell-Fleming model and exchange-rate regime. Policy mix in an open economy	Lecture, discussions	3hrs: PP(7,9), M(13), CG(10)
10.	Budget deficit, government debt, and public finance sustainability	Lecture, discussions	2hrs: M(19), BW(7,17)
11.	2 <sup>nd</sup> midterm exam	Written test	2hrs

**Bibliography****Main readings:**

- Piros, DC & Pinto, JE 2013, *Economics for Investment Decision Makers: Micro, Macro and International Economics, Workbook*, CFA Institute Investment Series, Wiley. Available at: <https://www.wiley.com/en-us/shop/cfa-showcase#portfolio> (PP)
- Mankiw, NG 2016, *Macroeconomics*, 9th Edition, Worth Publishers, New York (M)
- Burda, M & Wyplosz, C 2017, *Macroeconomics: A European Text*, 7th Edition, Oxford University Press, Oxford, U.K. (BW)
- Colander, DC & Gamber, EN 2006, *Macroeconomics*, Pearson/Prentice Hall, Cape Town (CG)
- Krugman, P & Wells, R 2015, *Macroeconomics*, 4th Edition, Worth Publishers (KW)

**Additional readings:**

Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.

8.2	Seminars / Labs	Teaching methods	Observations (hours & readings)
1.	Overview of key macroeconomic statistics	Discussions, excercises (solved individually and/or in pairs)	1hr: PP(5), M(2)
2.	National income. Some basic macroeconomic identities	Exercises (solved individually and/or in pairs)	1hr: PP(5), M(3), BW(2)
3.	Money supply and monetary policy	Exercises (solved individually and/or in pairs), problem solving	1hr: PP(7), M(4), BW(6,9)





4.	Causes, effects and costs of inflation. Inflation and interest rates	Exercises (solved individually and/or in pairs), case studies	2hr: M(5), BW(6,9)
5.	Open economies and exchange rates	Exercises (solved individually and/or in pairs), case studies, problem solving	2hr: PP(8,9), M(6), BW(6,15)
6.	Introduction to economic fluctuations. The aggregate demand and supply model	Case studies, problem solving	1hr: PP(5,6), M(10), BW(12)
7.	Building the IS-LM model	Exercises (solved individually and/or in pairs), case studies	1hr: M(11), CG(8,9)
8.	Applying the IS-LM model. Policy mix in a closed economy	Exercises (solved individually and/or in pairs), case studies	1hr: PP(7), M(12), CG(8,9), KW(13,15)
9.	The Mundell-Fleming model and exchange-rate regime. Policy mix in an open economy-	Exercises (solved individually and/or in pairs), case studies	2hr: PP(7,9), M(13), CG(10)
10.	Budget deficit, government debt, and public finance sustainability	Case studies, problem solving	1hr: M(19), BW(7,17)
11.	Analysis of macroeconomic policies around the world	Students' presentations and discussions	1hr

**Bibliography****Main readings:**

- Piros, DC & Pinto, JE 2013, *Economics for Investment Decision Makers: Micro, Macro and International Economics, Workbook*, CFA Institute Investment Series, Wiley. Available at: <https://www.wiley.com/en-us/shop/cfa-showcase#portfolio> (PP)
- Mankiw, NG 2016, *Macroeconomics*, 9th Edition, Worth Publishers, New York (M)
- Burda, M & Wyplosz, C 2017, *Macroeconomics: A European Text*, 7th Edition, Oxford University Press, Oxford, U.K. (BW)
- Colander, DC & Gamber, EN 2006, *Macroeconomics*, Pearson/Prentice Hall, Cape Town (CG)
- Krugman, P & Wells, R 2015, *Macroeconomics*, 4th Edition, Worth Publishers (KW)

**Additional readings:**

Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.

### 9. Corroboration of the course content with the expectations of community representatives, professional associations and representative employers from the programme's related field

This course provides students with the core knowledge, skills, and abilities that are generally accepted and applied by finance and investments professionals throughout the world. Topics are selected in accordance to the requirements of Chartered Financial Analyst (CFA) and Professional Risk Manager (PRM) world-leading certifications for finance and risk management, to offer the adequate preparation for CFA and PRM exams. The course content is correlated to that of similar courses taught at renowned universities and is continuously updated based on the feedback of students and alumni. Moreover, this is a student-centered course that follows the best practices of learning and teaching in undergraduate education through the adoption of a variety of active-learning instructional methods.

**10. Assessment**

Type of activity	10.1 Assessment criteria	10.2 Assessment methods	10.3 Weight in final grade (%)
------------------	--------------------------	-------------------------	--------------------------------





10.4 Lectures 10.5 Seminars/ Labs	Mastering the basic concepts of financial and monetary macroeconomics and the correct explanation of theories and mechanisms in the field	<b>1st midterm exam</b> (multiple-choice and open questions)	35%
	Mastering the basic concepts of financial and monetary macroeconomics and the correct explanation of theories and mechanisms in the field	<b>2nd midterm exam</b> (multiple-choice and open questions)	35%
	Originality, accuracy, and novelty of information Quality of team work Clarity of oral presentation, quality of arguments and ideas, synthesis capacity, and time management	<b>Homework assignment</b> (one group assignment presented in front of peers)	30%
10.6 Minimum performance standard			
A minimum passing grade of 5, computed as $F = 0.3 \times H + 0.35 \times 1ME + 0.35 \times 2ME$ , where F – final grade, H - homework assignment, 1ME – 1 <sup>st</sup> midterm exam, 2ME – 2 <sup>nd</sup> midterm exam,			

Date  
19.09.2023

Course Coordinator  
Associate Professor Irina BILAN, PhD

Seminar Coordinator  
Associate Professor Irina BILAN, PhD

Date of approval  
26.09.2023

Head of Department  
Prof. dr. Ovidiu STOICA

