



**MACROECONOMICS**

<b>Credit points</b>	<b>6 CP</b>		
<b>Duration of the course</b>	2nd semester		
<b>Study course annotation</b>	The macroeconomics study course is intended for students of the Faculty of Economics and Management to provide knowledge in the methodology of economic theory, the functioning of the market system, the essence of macroeconomic instability, fiscal policy and the creation of the state budget, the implementation of the state's economic policy and the creation of international economic relations. The course creates an idea of economic regularities in the country and the world, and taking the course helps students navigate modern economic processes.		
<b>Aim of the study course</b>	To create and develop economic thinking, to learn the theoretical foundations of economics, to impart knowledge and build understanding of the basic problems of macroeconomics, the main regularities and key indicators of macroeconomics, problems of the national economy, national economic trends, to provide insight into the formation of international economic relations and their necessity.		
<b>Study course results</b>	<b>Knowledge</b>	<b>Skills</b>	<b>Competences</b>
	successfully completing this study course, students understand the theoretical guidelines in the field of economics, show an understanding of the most important concepts and regularities in the economy of the national economy, know economic regularities at the macro level.	students know how to systematize and analyze the formation, development and regularities of economic and social problems, know their peculiarities and know how to evaluate the processes taking place in the national economy, identify the country's economic and social problems at the macro level, give a summary; able to apply the acquired theoretical and practical knowledge, ensuring their competitiveness in the labor market. Students are able to apply the knowledge gained in the program in various life and business situations, working in a team or individually	students can independently acquire, select, identify and solve economic problems in the country; able to get involved in the development, development, implementation and evaluation of the national socio-economic policy; able to competently prepare and present research related to economic issues; able to conduct research and studies on economic development issues, interpret and analyze their results.
<b>Study course content</b>	<b>Topics</b>		
	1	<b>1. Introduction to economics</b> 1.1. Methodology of economic theory. 1.2. Basis of economic policy (political, legal, national, geographical, social). 1.3. Main definitions of economics, economic goals	
	2	<b>2. Economy and politics</b> 2.1. The interrelationship between economics and politics, it is a mutual influence. 2.2. The state as the main subject of market reforms. 2.3. Macrosystem causes of conflict between business and political elites	
	3	<b>3. System of national accounts</b> 3.1. National and gross domestic product, their calculation. 3.2. Gross domestic product. National income. 3.3. Economic growth, its indicators. Nominal and real GDP	



	4	<p><b>4. Market theory</b></p> <p>4.1. Market concept and market types. Functioning of the market system.</p> <p>4.2. Competitive environment. Monopoly, oligopoly.</p> <p>4.3. Economic systems and their characteristic indicators</p>
	5	<p><b>5. Macroeconomic balance</b></p> <p>5.1. Aggregate demand and aggregate supply, influencing factors.</p> <p>5.1. Consumption, savings and investment. Determination of GDP equilibrium.</p> <p>5.3. The investment multiplier and the "thrift paradox"</p>
	6	<p><b>6. Macroeconomic instability</b></p> <p>6.1. Economic cycles, its phases, causes of development and impact on the national economy.</p> <p>6.2. Unemployment (forms, level, economic consequences).</p> <p>6.3 Inflation, its nature and calculation. Types of inflation and negative consequences for the economy of the national economy</p>
	7	<p><b>7. Theory of employment</b></p> <p>7.1. Classical, Keynes and modern employment theory.</p> <p>7.2. Labor market. salary and wages.</p> <p>7.3. Labor productivity. Real and nominal wages</p>
	8	<p><b>8. Fiscal policy and state budget</b></p> <p>8.1. Fiscal policy, its types and instruments.</p> <p>8.2. Budget facility, process, principles and organization. Budget deficit and public debt.</p> <p>8.3. Budget revenues and expenses. Taxes and the tax system of LR</p>
	9	<p><b>9. Money, money circulation and monetary policy</b></p> <p>9.1. The nature, functions and role of money.</p> <p>9.2. Credit, its necessity, essence, functions, laws and role in the economic development of the national economy.</p> <p>9.3. State bank and credit institutions, demand and supply of money</p>
	10	<p><b>10. State economic policy</b></p> <p>10.1. Elements of the state's economic policy, interest bearers, exponents and executors.</p> <p>10.2. State regulation of the economy, defined limits of state intervention.</p> <p>10.3. Methods of economic policy. Liberal and "conductor" politics</p>
	11	<p><b>11. Political and social responsibility of business</b></p> <p>11.1. Classical and modern theory of political and social responsibility of business</p> <p>11.2 "Imprinted" social business responsibility.</p> <p>11.3. James Buchanan's theory "Public Choice School"</p>
	12	<p><b>12. Political risks in the national economy</b></p> <p>12.1. Political risk, political interference in business.</p> <p>12.2. Expert models of risk assessment.</p> <p>12.3. Macro and micro risks. Extralegal risk. Legal and government risk</p>
	13	<p><b>13. Corporate representation in the national economy</b></p> <p>13.1. Fragmentation, differentiation and consolidation of corporate representation.</p> <p>13.2. Interest groups, lobbying, state protectionist policies.</p> <p>13. Target orientation of the political strategy: functional, electoral, institutional</p>
	14	<p><b>14. International economic relations</b></p> <p>14.1. International trade, its impact on macroeconomic indicators, directions of foreign trade policy.</p> <p>14.2. Economic integration and globalization.</p> <p>14.3. International movement of finance, capital and labor</p>



<b>Form of assessment:</b>	Exam
<b>Obligatory literature:</b>	
1. Macroeconomics / Andrew B. Abel, Ben S. Bernanke, Dean Croushore. - 7th ed. - Pearson, 2011. - 666 p.: fig.	
2. Macroeconomics / Charles I. Jones. - 4th ed. - W. W. Norton & Company, Inc., 2018. - 641 p.: fig., tabl.	
<b>Additional reading:</b>	
1. McConnell, Brue, Flynn. Macroeconomics. Principles, Problems and Policies. - McGrawHill Educations: US NY, 2018.	
2. Macroeconomics / Paul Krugman, Robin Welles. - 4th ed. - Worth Publishers, 2015. - 690 p.: fig., tabl.	
<b>Other sources of information:</b>	
1. <a href="http://www.fm.gov.lv">www.fm.gov.lv</a>	
2. <a href="http://www.em.gov.lv">www.em.gov.lv</a>	
3. <a href="http://www.csb.gov.lv">www.csb.gov.lv</a>	
4. <a href="http://ec.europa.eu/eurostat">http://ec.europa.eu/eurostat</a>	
5. <a href="http://www.fktk.lv">www.fktk.lv</a>	
Changes and additions to the program and literature list are possible during the study process	