

**UNIVERSITY OF ECONOMICS - VARNA**  
**FACULTY OF FINANCE AND ACCOUNTING**  
**DEPARTMENT OF GENERAL ECONOMIC THEORY**

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Adopted by the FC (record №11/25.04.2024)

Adopted by the DC (record №11/09.04.2024)

**ACCEPTED BY:**

**Dean:**  
(Assoc. Prof. Daniela Georgieva, PhD)

## SYLLABUS

**SUBJECT: MACROECONOMICS**

**DEGREE PROGRAMME: For all Programmes taught in English; BACHELOR'S DEGREE**

**YEAR OF STUDY: 1; SEMESTER: 2**

**TOTAL STUDENT WORKLOAD: 240 hours; incl. curricular 75 hours**

**CREDITS: 8**

### DISTRIBUTION OF STUDENT WORKLOAD ACCORDING TO THE CURRICULUM

<i>TYPE OF STUDY HOURS</i>	<b>WORKLOAD, hours</b>	<b>TEACHING HOURS PER WEEK, hours</b>
CURRICULAR: incl.		
● LECTURES	45	3
● SEMINARS / LAB. EXERCISES	30	2
EXTRACURRICULAR	165	-

Prepared by:

1. ....  
(Assoc. Prof. Kaloyan Kolev, PhD)

2. ....  
(Chief Assist. Prof. Veniamin Todorov, PhD)

Head of department  
of General Economic Theory: .....  
(Assoc. Prof. Kaloyan Kolev, PhD)

## **I. ANNOTATION**

*Macroeconomics studies the behaviour of national economies giving insight into how economies function and what that means for the households, the companies and the government.*

**Prerequisite knowledge and skills.** *The course “Macroeconomics” is designed for students who have completed their first semester of academic study and have acquired the basic knowledge and skills to analyse economic processes on a micro level.*

**New knowledge and understanding.** *The course introduces students to the fundamental theoretical models and analytical approaches, and their practical implications for individuals, businesses, and the government. New knowledge is gained concerning the macroeconomic concepts, variables, the relationships between them, as well as the impact of macroeconomic policy. The course describes and analyses macroeconomic phenomena such as aggregate output, business cycles, unemployment, inflation, budget deficits, government debt, economic growth, money demand and money supply, international trade, and others. Special attention is paid to the business cycle and how it impacts the different types of economic agents. The different phases of the cycle are explained and the factors behind them are identified.*

*A separate part of the course is dedicated to macroeconomic policy with a detailed analysis of how fiscal policy and monetary policy are used to stabilize the economy and maintain economic growth. Foreign economic policy is presented and analysed in the context of the openness of national economies and their interaction with other economies. Exchange rates and the balance of payments are included in the analysis as they matter not only in terms of macroeconomic policy but also impact international deals and business activities.*

**Formation of new skills and their practical application.** *The successful completion of the course leads to:*

- 1) ability to apply critical thinking through the models, frameworks, and concepts taking into consideration the processes not just on a micro, but on a macro level;*
- 2) ability to understand the measures of economic performance and use these indicators to evaluate current economic conditions;*
- 3) ability to differentiate between short run and long run macroeconomic phenomena, and derive the implications for successful economic activities and decision-making;*
- 4) skills to analyse the impact of macroeconomic policy actions and to evaluate the outcomes*

**Key competencies.** *The course develops two key competencies: (1) mathematical, and (2) civil. Mathematical competence is acquired through the use of formal macroeconomic models and the calculation of different macroeconomic indicators. In this way mathematical thinking is applied for problem solving and for decision making. Civil competence is developed as macroeconomics deals with important societal issues like economic growth, sustainable development, macroeconomic and social policies, the standard of living, etc. The processes, decisions and policies on a macro level affect not just the individual but the society as a whole. Understanding them and the impact they have fosters students’ capacity and motivation to be engaged in societal problems, to have an active position and act as responsible citizens.*

## **II. THEMATIC CONTENT**

№	TITLE OF UNIT AND SUBTOPICS	NUMBER OF HOURS		
		L	S	L.E.
<b>1. MEASURING MACROECONOMIC ACTIVITY</b>		<b>4</b>	<b>2</b>	
1.1.	Introduction to Macroeconomics			

1.2.	Macroeconomic Activity and the Circular-Flow Model			
1.3.	Gross Domestic Product and Gross National Product			
1.4.	Types of GDP: Nominal and Real GDP, Potential and Actual GDP			
1.5.	Approaches to Measuring GDP: Production, Expenditures and Income Methods			
1.6.	Advantages and Disadvantages of GDP As an Indicator of Aggregate Economic Activity			
<b>2. UNEMPLOYMENT</b>		<b>3</b>	<b>2</b>	
2.1.	Labour Force, Employment and Unemployment			
2.2.	Measuring the Unemployment Rate and the Employment Rate			
2.3.	Forms and Causes of Unemployment			
2.4.	Natural Rate of Unemployment			
2.5.	Okun's Law			
<b>3. INFLATION</b>		<b>3</b>	<b>2</b>	
3.1.	Defining and Measuring Inflation			
3.2.	Inflation and the Quantity of Money			
3.3.	Consequences of Inflation			
3.4.	Relationship Between Inflation and Unemployment: Phillips Curve			
<b>4. AGGREGATE DEMAND AND AGGREGATE SUPPLY</b>		<b>3</b>	<b>2</b>	
4.1.	Aggregate Demand			
4.2.	Aggregate Supply in the Short Run and in the Long Run			
4.3.	Macroeconomic Equilibrium: Definition and Types			
4.4.	Macroeconomic Equilibrium Dynamics, Unemployment and Inflation			
<b>5. MACROECONOMIC EQUILIBRIUM: CLASSICAL AND KEYNESIAN APPROACH</b>		<b>3</b>	<b>2</b>	
5.1.	Say's Law and the Classical Approach			
5.2.	Interest rate, Saving and Investment in the Classical Theory			
5.3.	Price Flexibility and Self-Regulation			
5.4.	Price Rigidity and the Keynesian Approach			
<b>6. THE BUSINESS CYCLE</b>		<b>3</b>	<b>2</b>	
6.1.	Economic Fluctuations and the Business Cycle			
6.2.	Business Cycle Phases			
6.3.	Determinants of the Business Cycle			
6.4.	Theoretical Explanations of the Business Cycle			
<b>7. AGGREGATE EXPENDITURES</b>		<b>3</b>	<b>2</b>	
7.1.	Consumption Function and Saving Function			
7.2.	Investment Function			
7.3.	Government Expenditures Function and Net Exports Function			
7.4.	Aggregate Expenditures Function			
<b>8. KEYNESIAN MODEL OF INCOME DETERMINATION</b>		<b>3</b>	<b>2</b>	
8.1.	Basic Assumptions of the Model			
8.2.	Expenditure-Output Approach			
8.3.	Leakage-Injection Approach			
8.4.	Keynesian Multiplier			

<b>9. FISCAL POLICY</b>		<b>4</b>	<b>2</b>	
9.1.	Fiscal Policy: Definition and Instruments			
9.2.	Impact of Government Expenditures and Taxation on Aggregate Demand			
9.3.	Automatic Fiscal Stabilizers			
9.4.	Discretionary Fiscal Policy: Expansionary and Contractionary Policy			
9.5.	Efficiency of Fiscal Policy			
<b>10. BUDGET DEFICITS AND GOVERNMENT DEBT</b>		<b>3</b>	<b>2</b>	
10.1.	Government Budget Structure and Government Budget Balance			
10.2.	Financing Budget Deficits			
10.3.	Measuring Government Debt			
10.4.	Types of Government Debt			
<b>11. MONEY AND THE MONEY MARKET</b>		<b>3</b>	<b>2</b>	
11.1.	Money: Functions and Types			
11.2.	Measuring the Money Supply			
11.3.	Banking System and Deposit Multiplication			
11.4.	Money Demand			
11.5.	Equilibrium in the Money Market			
<b>12. MONETARY POLICY</b>		<b>3</b>	<b>2</b>	
12.1.	Central Banks and Monetary Policy			
12.2.	Characteristics of Monetary Policy Instruments			
12.3.	Types of Monetary Policy			
12.4.	The Debate Over the Efficiency of Monetary Policy			
<b>13. INTERNATIONAL TRADE AND FOREIGN TRADE POLICY</b>		<b>2</b>	<b>2</b>	
13.1.	Absolute and Comparative Advantages of International Trade			
13.2.	Sources of Comparative Advantages			
13.3.	Foreign Trade Policy: Definition, Types and Instruments			
<b>14. EXCHANGE RATE AND BALANCE OF PAYMENTS</b>		<b>2</b>	<b>2</b>	
14.1.	Foreign Exchange Market and Exchange Rate			
14.2.	Real Exchange Rate and Net Export			
14.3.	Exchange Rate and Monetary Policy			
14.4.	Balance of Payments			
<b>15. ECONOMIC GROWTH</b>		<b>3</b>	<b>2</b>	
15.1.	Defining and Measuring Economic Growth			
15.2.	Theories of Economic Growth			
15.3.	International Comparison of Economic Growth Rates			
15.4.	The Debate over Economic Growth			
<b>Total:</b>		<b>45</b>	<b>30</b>	

### **III. FORMS OF CONTROL:**

<b>№</b>	<b>TYPE AND FORM OF CONTROL</b>	<b>Number</b>	<b>extracurricular, hours</b>
<b>1.</b>	<b>Midterm control</b>		
1.1.	Midterm 1: Test	<b>1</b>	<b>30</b>
1.2.	Midterm 2: Practical Problem Solving	<b>1</b>	<b>30</b>
1.3.	Presentation	<b>1</b>	<b>20</b>
	<b>Total midterm control:</b>	<b>3</b>	<b>80</b>
<b>2.</b>	<b>Final term control</b>		
2.1.	Exam	<b>1</b>	<b>85</b>
	<b>Total final term control:</b>	<b>1</b>	<b>85</b>
	<b>Total for all types of control:</b>	<b>4</b>	<b>165</b>

### **IV. LITERATURE**

#### **REQUIRED (BASIC) LITERATURE:**

1. Parkin, M. (2022). Macroeconomics. Pearson, 14th Edition.

#### **RECOMMENDED (ADDITIONAL) LITERATURE:**

1. Mankiw, N. G. (2022). Macroeconomics. Macmillan Learning, 11th Edition.
2. McConnell, C., Brue, S., Flynn, S. (2023). Macroeconomics. McGraw Hill, 23rd Edition.
3. Krugman, P., Wells, R. (2021). Macroeconomics. Macmillan Learning, 6<sup>th</sup> Edition.
4. Rudd, J. (2024). A Practical Guide to Macroeconomics. Cambridge University Press.
5. Todorov, V. (2022). Exogenous Macroeconomic Shocks as Contemporary Business Cycle Determinants. Economic Archive, Vol. 75(3), pp. 3-17.
6. Todorov, V. (2023). Stabilization Role of the Macroeconomic Policy during the COVID-19 Crisis. Economic Archive, Vol. 76(3), pp. 63-78.
7. Mihaylova, S., Bratoeva-Manoleva, S. (2018). Structural Changes and Wage Inequality in the Bulgarian Economy. Eastern Journal of European Studies, Alexandru Ioan Cuza University Press, Iasi, Romania, Vol. 9(2), pp. 205-227.
8. Ivanova, T. (2023). Gross Domestic Product of Bulgaria - Dynamics and Structure. Izvestia Journal of the Union of Scientists - Varna. Economic Sciences Series, Varna: Union of Scientists - Varna, Vol. 12(2), pp. 172-180.