

## COURSE SCENARIO

### PART 1. COURSE DESCRIPTION

<b>SUBJECT/TOPIC</b>	<i>Economic Policy</i>
<b>MODE (online, face-to-face, blended)</b>	The course can be delivered in all forms, as the content is flexible and allows attendance, online and blended form of interaction.
<b>LEVEL (master, bachelor)</b>	Bachelor and Master
<b>PREREQUISITES (courses to be taken before, if applicable)</b>	The course is an interdisciplinary one. The course provides fundamental knowledge to the students that are interested to attend it and there are no specific prerequisites. Basic mathematical knowledge is recommended.
<b>SUMMARY / ANNOTATION OF THE CONTENT</b>	<p>Economic policy is in the field of public economics that examines the role of government in the economy and important issues such as: What are the economic functions of government, and what should they be? How should the government finance the services it provides? What kinds of government programs should confront the problems of poverty, unemployment, and pollution? What problems does government involvement create?</p> <p>The main issues to discuss in the course are as follows:</p> <ul style="list-style-type: none"> <li>• What does sustainability mean in theory and practice, what the costs of not abiding by sustainability are, and how to assess sustainability?</li> <li>• What are the long-run effects of budget deficits and debt on output and its composition? What is the cost in terms of lost consumption in the future? Which generation gains and which generation loses?</li> <li>• Do budget deficits affect economic activity in the same way in the short run whether they come from tax cuts or spending increases? How important are expectations effects?</li> <li>• How much policy space is left for governments after they have fought the new Great Recession and rescued their banks? What explains sustained divergences within the euro area and convergence process outside the euro?</li> </ul>

	<ul style="list-style-type: none"> <li>• Is international coordination in the field of economic policy an advantage or a diversion from every government and national bank duty?</li> </ul>
<p><b>THE AIMS OF THE COURSE</b></p>	<p>The aims of the classes are as follows:</p> <ul style="list-style-type: none"> <li>• to introduce the principles of economic policy and the methodology of economic policy;</li> <li>• to familiarize students with economic policy interdependence and real-world problems such as income inequalities, climate change, and migration;</li> <li>• to present the different views on fiscal policy as regards its objectives, functions, and effects;</li> <li>• to describe the conventional and unconventional monetary policies and instruments and the central bank role;</li> <li>• to engage students with the interplay between monetary and fiscal policy and the fiscal and monetary dominance;</li> <li>• to make students aware of the link between finance and economic performance as regards financial stability;</li> <li>• to broaden the knowledge of the students as regards macroprudential policy aspects and instruments;</li> <li>• to explain the importance of the capital mobility and exchange rate regime choice and credibility;</li> <li>• to provide students with knowledge about the exchange rate policy and the intervention toolkit the policymakers can apply;</li> <li>• to develop the skills of the students to assess effectiveness of fiscal and monetary policy under different assumptions and time perspectives;</li> <li>• to present the instruments of the foreign trade policy and the EU Trade policy specificities;</li> <li>• to present functional and personal income distribution and the active and passive labour market policies;</li> <li>• to present the structural and growth policies considering their short, medium, and long-run effects;</li> <li>• to provide students with knowledge about the EU governance framework, the respective competences of the EU Member States and EU authorities, and the principles and objectives of the EU common policies.</li> </ul>
<p><b>LEARNING OUTCOMES</b></p>	<p>Passing the course students should:</p> <ul style="list-style-type: none"> <li>• be aware of the main issues in the field of economic policy;</li> <li>• broaden their knowledge about different aspects of economic policy in the EU context;</li> </ul>

	<ul style="list-style-type: none"> <li>• develop skills to analyze and forecast short- and long-run effects of economic policy;</li> <li>• be able to form relevant expectations of applying economic policy measures and design economic policies;</li> <li>• be engaged in social and economic sustainability issues and implement economic policies.</li> </ul>
<p><b>STUDY AND ASSESSMENT METHODS</b></p>	<p>The economics in practice feature of the course presents a real-world personal observation, current research work, or news articles that supports the key concepts of economic policy and helps students think critically about how economics and economic policy a part of their daily lives is. Here also help interactive and group discussions and individual and group projects. Reading and interpreting graphs is a key part of understanding economic concepts. Understanding graphical analysis is a key part of learning economics, and we briefly describe and draw attention to the important points that the figures illustrate. The pedagogical use of color and detailed caption makes it easier for students to learn and review the material. Students also may practice what they have learned, test their understanding, and identify areas in which they need further work. Students can study on their own, or they can complete assignments created by their instructor. Student versions of the PowerPoint presentations will be available as .pdf files which allow students to print the slides for note taking. The presentations include all the figures, photos, tables, key terms, and issues discussed. A Personal Study Plan should be prepared based on a student’s performance and it consists of a series of additional practice exercises with detailed feedback and guided solutions that are keyed to other tutorial resources.</p> <p>The Sofia University St. Kliment Ohridski follows the standards of the Association to Advance Collegiate Schools of Business (AACSB) which is a not-for-profit corporation of educational institutions, corporations, and other organizations devoted to the promotion and improvement of higher education in business. The AACSB Assurance of Learning Standards expects a curriculum to include learning experiences in areas such as the following:</p> <ul style="list-style-type: none"> <li>• Communication</li> <li>• Ethical Reasoning</li> <li>• Analytic Skills</li> <li>• Use of Information Technology</li> <li>• Multicultural and Diversity</li> <li>• Reflective Thinking</li> </ul> <p>The abovementioned standards are covered in the course on Economic Policy.</p>

<b>BIBLIOGRAPHY</b>	<p>Benassy-Quere, A., B. Coeure, P. Jacquet, J. Pisani-Ferry (2019), Economic Policy: Theory and Practice, Oxford University Press, 2 Edition</p> <p>Skidelsky, R. (2019), Money and Government: The Past and Future of Economics, Yale University Press</p> <p>Langdana, F. (2016), Macroeconomic Policy: Demystifying Monetary and Fiscal Policy, Springer Texts in Business and Economics, 3 Edition</p> <p>Krugman, P., M. Obstfeld, M. Melitz (2017), International Economics: Theory and Policy, Pearson Education, 11 Edition</p> <p>Barwell, R. (2016), Macroeconomic Policy after the Crash, Issues in Monetary and Fiscal Policy, Palgrave Macmillan</p>
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