

TASK - Choose two of the following topics:

1. Macroeconomics and macroeconomic models – *history of macroeconomics, macroeconomic concerns, components of macroeconomics, macro-models.*
2. The simple Keynesian model (two sectors) – *characteristic, equilibrium income, functions, output-expenditure approach.*
3. Three sector national income model – *model, functions, output-expenditure approach, equilibrium national income.*
4. Four sector national income model – *model, functions, output-expenditure approach, equilibrium national income, crowding-out effect.*
5. The IS-LM model – *theoretical assumptions, IS curve, LM curve, IS-LM model.*
6. Fiscal and monetary policy in IS-LM model – *fiscal policy and its impact on model, monetary policy and its impact on model.*
7. Open economy and balance of payment – *characteristic of open economy, international flows of goods and capital, nominal and real exchange rate, structure of balance of payment.*
8. The IS-LM-BP model – *Mundell-Fleming model, model and BP curve, model and exchange rates, fiscal and monetary policy in model.*
9. AS-AD model – *characteristics of model, construction of AD curve (from IS-LM model), construction of AS curve, equilibrium.*
10. AS-AD model in short run and long run – *fiscal policy, monetary policy and equilibrium in AS-AD model.*
11. Inflation and unemployment – *inflation, deflation and disinflation, measurement of inflation, unemployment and its concepts, Phillips curve.*
12. Business cycles – *determination of growth and business cycles, characteristic of business cycles, indicators of business cycles.*
13. Economic growth – *factors of economic growth, costs and benefits of economic growth, economic growth and PPF, economic growth and convergence.*

You have about 30 minutes to note down the most important definitions to capture the theoretical basics of the chosen topics. There are some points (in cursive) that you should consider and briefly mention in your paper.