Syllabus

ECO5042 Macroeconomics

Prof. Dr. Harald Strotmann

Winter Semester 2025 / 2026

Level	Master	
Credits	5 ECTS (together with ECO5041 Microeconomics),	
Student Contact Hours	30 (60 in total together with ECO5041)	
Workload	150 (together with ECO5041): 60 contact hours + 90 hours self-study	
Prerequisites	-	
Time	See below	
Room	W4.1.06	
Start Date	Wednesday, December 3, 2025	
Lecturer	**Name**	Prof. Dr. Harald Strotmann
	Office	W2.4.32
	Office Hours	Thu, 8.00-9.30
	Phone	+49 7231286102
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Outline of the Course

1. Introduction to macroeconomics

2. Macroeconomic goals and measuring the economy

3. Aggregate demand at the goods market: the AD curve

4. Aggregate supply in the long-run and the very long run *with flexible prices*: the LRAS and the VLRAS curve

5. The economy in the short-run according to Keynes with *sticky prices* and the Short-Run Aggregate Supply curve (SRAS)

6. Business Cycle Analysis in the AS/AD-model

7. Economic Stabilization Policy I – government fiscal policy

8. Economic Stabilization Policy II – central bank monetary policy

9. Money and monetary policy in a two-stage fractional-reserve banking system

Learning Objectives:

By the end of the course, participants should be capable of:

- Understanding the importance and consequences of macroeconomic conditions for the economy as well as for business decisions

- Interpreting and applying the basics of macroeconomics models and theories to real world economies.

- Applying medium and long-run neoclassical and short-run Keynesian macroeconomic theory to current economic topics

- Explaining major determinants of growth, employment, and price stability.

- Understanding the causes and consequences of low growth rates, unemployment and inflation on business and the economy

- Interpreting different short- and long-run monetary and fiscal policies to overcome macroeconomic problems and having a clear idea how these policies can affect the economy and business

Course Intended Learning Outcomes and their Contribution to Program Intended Learning Outcomes / Program Goals

Program Intended Learning Outcomes		Course Intended Learning Outcomes	Assessment Method
	After completion of the program the students will be able…	After completion of the course the students will be able…	Written Exam 100% Individual
1	**Responsible Leadership in Organizational Contexts**		
2	**Creative Problem Solving Skills in a Complex Business Environment**		
2.1	... to identify & classify problems.	… to explain differences between consideration of policy in the short and long run.	X
2.2	... to analyze problems.	… to analyze data based on macroeconomic concepts and their limits, short-and long-term theories of the macro-economic process and describe implications for policy and business.	X
2.3	... to creatively solve problems.	… to perform critical analysis of the causes of macroeconomic issues and their implications.	X
2.4	… to explain problems and their solutions in a comprehensive manner.	… to discuss competing theories regarding policy recommendations and conclusions.	X
3	**Applied research skills**		
3.1	... to know the research and analysis methods important in his/her field of study.	… to demonstrate understanding of competing theories and perspectives in macroeconomics.	X
3.2	… to appropriately apply the research and analysis methods.	… to apply short and long run analyses correctly to economic policy problems.	X
3.3	… to obtain innovative results using relevant research methods.	… to explain and interpret the results and their implications for policy, business and individuals.	X
4	**Innovation management and management of digital transformation**		
5	**Management of the challenges of global sustainability and awareness for social and corporate responsibilities**		
5.1	… to have a sound basic knowledge of sustainability issues.	… to discuss limitations of economic GDP/GNP measures and the benefits and limitations of alternative approaches for welfare assessment (Human Development Approach etc.)	X

Teaching and Learning Approach

The slides of my lecture will be uploaded to Moodle to enable you to prepare the topics and your questions in advance. Additional basic reading in advance is expected and necessary, literature hints can be found below in the table.

I try to teach “Macroeconomics” as a highly interactive lecture. Therefore, additional materials related to current macroeconomic developments are regularly uploaded to the e-room to foster an up-to-date application and discussion of macroeconomic topics and their business implications.

The course is organized as a lecture, but highly interactive, throughout the course special emphasis is met on discussion and interaction with the students. Based upon profound knowledge of theory and its implications we will critically discuss current policy topics in macroeconomics.

They comprise:

(1) **Slides**

(2) **Questions on every chapter for your own work**

The questions shall help you to check whether you understand the core contents of the course. For a best possible learning experience, I would suggest that you answer the questions for yourself or in groups directly after the corresponding sessions. In case of problems you may ask me in class, come to my office hours, make an appointment with me at other times or hand them in for one of the three voluntary tutorials which I will offer during the semester (see below).

(3) **Links to current articles / readings**

My goal is to combine our theoretical discussion in class with very current international policy debates. I want to invite and to motivate you to follow cutting-edge international policy discussion, e.g. on "Project Syndicate" or reading "The Economist". Therefore, I will regularly upload links here to recent articles or opinion statements which are related to our course on International Economics. Access to Project Syndicate articles is free for students of Pforzheim University (VPN connection is needed). Hope that many of you are interested in reading the articles!

I will partly also refer to articles in class and selected articles may explicitly be made part of the written exam in the end of the semester.

(4) **Brief executive summaries as a training of important skills**

From time to time I will offer the opportunity to write and upload a brief executive summary of the core messages of an article provided. The maximum word count is 120 words. Thereby, think about a situation in which you have to give someone else a very short briefing on the main insights. It shall thus summarize the core messages of an article in a clear and comprehensive manner. Thereby, you often do not follow the structure of the article and you have to avoid getting lost in details, but only focus on the few key learnings. As you shall train some important personal skills here the use of chatGPT or other tools of AI is not recommended. *Everyone has to do at least two executive summaries during the semester which are acceptable and done without the use of AI.*

In class, some students will be selected to present their management summary to the group or we will have a look at selected written summaries together. *A brief oral presentation shall take about one, maximum two minutes***.** Details are also explained in the first session on December 3.

(5) **Intermediate online quizzes.**

During the course I will offer two times the opportunity to participate in an online quiz. Thereby, multiple choice questions will be used to test your knowledge of some core terms and concepts. The 15-20 minutes quizzes will be done in class. Thereby, you may collect in total up to 5 points which will be added to the points of your written exam.

(6) **Discussion forum**

You may post questions there and interact with other students. I will also help there in case of questions. *Every student is also asked to contribute to the discussion forum at least once during the semester with a hint to a recent policy development from your country/region that is linked to our macroeconomics course*

Literature and Course Materials

Main literature (textbooks):

Blanchard, O. (2025): Macroeconomics, 9th edition, Pearson.

E-Book in the university library available for 8th edition https://elibrary.pearson.de/book/99.150005/9781292351520

Mankiw, G. N.; Taylor, M. P. (2023): Economics, 6th edition, Cengage Learning EMEA.

Mankiw, G. N. (2024): Macroeconomics, 12th edition, MacMillan International Higher Education.

Mankiw, G. N. (2023): Principles of Economics, 10th edition, Thompson South-Western, Fort Worth.

As an online textbook:

The Core Team (URL) The Economy, https://core-econ.org/the-economy/index.html

Additional literature:

Interesting articles on numerous cutting-edge topics in macroeconomics can be found e.g. at *Project Syndicate. At Project Syndicate* prominent political leaders, policymakers, scholars, business leaders, and civic activists from around write comments or brief articles on cutting-edge topics. I will provide you with hints for concrete readings related to our course. Pforzheim University provides free institutional access for you (VPN connection necessary).

https://www.project-syndicate.org/

Hints for an adequate use of AI for this course:

Artificial Intelligence (AI) tools can be powerful supports for your learning journey. Used thoughtfully, they may help in clarifying difficult concepts, exploring alternative explanations, generating examples, or checking your understanding after you have worked through material on your own. In this way, AI can serve as a complement to your individual and group learning efforts.

However, overreliance on AI can seriously undermine the educational value of this course. If you consistently substitute AI-generated answers for your own reasoning, reading, and practice, you will miss the step-by-step process that builds the very skills that this MBA program is designed to develop — critical thinking, analytical ability, and the capacity to structure complex arguments.

For this reason, our guiding principles for the use of AI are as follows:

- ***First attempt on your own:*** Before turning to AI tools, work through readings, discussions, and exercises independently. Attempt to answer questions or draft your own summaries without assistance.
- ***AI as support, not replacement:*** Only after your individual attempt, you may use AI for clarification, testing your understanding, or exploring alternative viewpoints.

- ***Skill-building priority***: At all times, remember that mastering the material yourself—not producing superficially correct answers—is the goal. Any use of AI that shortcuts the learning process will ultimately harm your progress in the program.

Treat AI as a learning partner, not a learning substitute. Your professional success after the MBA will rely on your ability to think critically and make judgments in novel situations — skills no AI can replace.

Assessment and grading

The **final joint grading for the module "Foundations in Economics"** with its two courses "ECO5041 Microeconomics" and "ECO5042 Macroeconomics" is based upon a **60-minutes written exam for Microeconomics** and a **60-minutes written exam for Macroeconomics**.

In both exams you can earn up to 60 points, thus 120 points in total. To pass the "Foundations in Economics" module, and thus its Microeconomics and Macroeconomics components, you must achieve a total of 60 out of 120 points. If you fail, you must retake the entire module, i.e. both 60 minutes exams.

For this macroeconomics course, you may achieve up to 5 points for the exam by successfully participating in some online tests throughout the semester (see also above).

To participate successfully in the macroeconomics part of the module the ***following has to be fulfilled in addition:***

1. Upload of at least ***two executive summaries*** for brief articles on current policy issues (see description above).
2. At least ***one contribution to the joint discussion forum on moodle*** in which you link a current macro development / policy in your country to our course contents (see above).
3. Regular ***attendance*** of the course, ***preparation*** for class and and active ***participation*** in class

Availability of the lecturer and teaching philosophy:

Prof. Dr. Harald Strotmann
Office: W2.4.32
Office hours: Thursday, 08.00-09.30
Email: harald.strotmann@hs-pforzheim.de

My main goal is to introduce you to macroeconomics and to make clear why this topic is so relevant to business people and policymakers, or just out of esoteric interest. I expect to use some of the ideas we cover to be the basis of the student-led discussions. I will choose articles or topics for discussions and students will be expected to have read the assigned materials and have a level of familiarity with them that allows constructive discussions about the topics. Please do not hesitate to contact me as early as possible if you have any questions or problems.

Preliminary schedule for ECO5042 – Macroeconomics

Wed, Dec 3 15.30-18.45 W4.1.06	Chapter 1: Introduction to Macroeconomics Chapter 2: Measuring the economy: applying the data to business
Tue, Dec 9 08.00-11.15 W4.1.06	Chapter 2: Measuring the economy: applying the data to business Chapter 3: Aggregate demand at the goods market
Thu, Dec 11 15.30-18.45 W4.1.06 Or Fri, Dec 12 13.45-17.00 W4.1.06	Chapter 3: Aggregate demand at the goods market Chapter 4: Aggregate supply in the long-run and the very long run with flexible prices: the LRAS and the VLRAS curve
Thu, Dec 18 17.15-18.45 W4.1.06	Chapter 4: Aggregate supply in the long-run and the very long run with flexible prices: the LRAS and the VLRAS curve
Thu, Jan 8 15.30-18.45 W4.1.06	Chapter 5: The economy in the short-run according to Keynes with sticky prices and the Short-Run Aggregate Supply curve (SRAS)
Fri, Jan 9 13.45-17.00 W4.1.06	Chapter 5: The economy in the short-run according to Keynes with sticky prices and the Short-Run Aggregate Supply curve (SRAS) Chapter 6: Business Cycle Analysis in the AS/AD-model
Wed, Jan 14 15.30-18.45 W4.1.06	Chapter 7: Economic Stabilization Policy I – government fiscal policy
Thu, Jan 15 17.15-18.45 W4.1.06	Reserved
Fri, Jan 16 13.45-18.00 W4.1.06	Chapter 8: Economic Stabilization Policy II – central bank monetary policy
Wed, Jan 21 15.30-18.45 W4.1.06	Chapter 9: Money and monetary policy in a two-stage fractional-reserve banking system
Thu, Jan 22 17.15-18.45 W4.1.06	*Reserved for Q&A*