

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
Sumy National Agrarian University

Public Management and Administration Department

«CONFIRMED»
Head of Public Management and
Administration Department

«» (Slavkova O.P.)
_____ 2020

CURRICULUM (SYLLABUS)

«Economic Policy»

Training direction: «Business Economics»

Specialty: 051 «Economics»

Educational program: *Business Economics*

Faculty: Economic and Management

2020– 2021 academic year

Curriculum on "Economic policy" for students of training direction "Business Economics, specialty: 051 «Economics».

Author: *PhD, Associate Professor Brychko A.M.* 

Curriculum approved on meeting of the Department of Public Management and Administration.

Protocol № 15 from " 23 " 06_ 2020 y.

Head of Public Management and Administration Department  (Slavkova O.P.)

Approved:

Guarantor of educational and professional program  Y. S. Naymko
(project team leader)

Dean of the Faculty  (Strochenko N.I.)
(where the course is studied)

Methodist of the Department of Education Quality, licensing and accreditation  F. Toporuk

Registered in electronic base: (date): 10.07. 2020 y.

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1. Curriculum description

Indicators	Branch of knowledge, training direction, qualification level	Characteristics of course
Amount of credits - 4	Branch of knowledge: 05 Social and behavioral sciences	Normative
Modules - 2		Year: 2020-2021-й
Content modules: 2		Course 2m
	Specialty 051 «Economics» Training direction: «Business Economics»	Semester
Total hours - 120		3 Lectures 26 hours
		Practical, seminar 26 hours
		Laboratory -
		Independent work 68 hours
		Individual tasks:
		Type of control: credit
Week classes for full day studying: classes - 4 individual - 6	Qualification degree: master	

Note. Correlation of numbers of classes to individual work is 43% / 57% (52/68)

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2. Aim and task of discipline

An economic policy is a course of action that is intended to influence or control the behavior of the economy. Economic policies are typically implemented and administered by the government. The effectiveness of economic policies can be assessed in one of two ways, known as positive and normative economics. Positive and normative economics. Positive economics attempts to describe how the economy and economic policies work without resorting to value judgments about which results are best. The distinguishing feature of positive economic hypotheses is that they can be tested and either confirmed or rejected. Normative economics involves the use of value judgments to assess the performance of the economy and economic policies. Consequently, normative economic hypotheses cannot be tested.

The aim of the course of economic policy consist of value judgments about what economic policy should strive to achieve and therefore fall under the heading of normative economics. While there is much disagreement about the appropriate goals of economic policy, several appear to have wide, although not universal, acceptance. During the course students must learn:

1. Economic growth: Economic growth means that the incomes of all consumers and firms (after accounting for inflation) are increasing over time.
2. Full employment: The goal of full employment is that every member of the labor force who wants to work is able to find work.
3. Price stability: The goal of price stability is to prevent increases in the general price level known as inflation, as well as decreases in the general price level known as deflation.

The study of the discipline "Economic Policy" involves the formation of students' competencies (derived from the educational and professional program):

№	Type of program competencies	Program competence	Code
	General		
1		Ability to identify and solve complex problems and problems of economics and business, to make appropriate analytical and managerial decisions in the field of economics and business or in the learning process, which involves research and / or innovation in conditions of uncertainty.	IK

2		Ability to think abstractly, analyze, synthesize, establish relationships between phenomena and processes, and develop and justify rational solutions.	3K1
3		Ability to think critically and generate new ideas.	3K3
	Professional (special)		
1		Ability to use general and specific scientific methods to study the mechanism of state regulation of the economy in the country; substantiate the criteria for assessing the consequences of management decisions on the implementation of a state economic policy in the country; calculate the main macroeconomic indicators in the country and apply their economic essence for effective state regulation of the country's economy; identify the main indicators that characterize the economic growth (recession) in the country, and apply them in the process of state regulation of the economy.	ФК7

2.3 Program learning outcomes

As a result of studying the discipline " Economic Policy " student should be able to demonstrate the following learning outcomes (derived from the educational-professional program):

№	Program learning outcomes	Code
1.	Know the main provisions of laws and regulations relating to internal control of economic entities.	ИПФ 7

3. Program of educational discipline

"Is being tested", indicate the minutes of the meeting of the department, which approved the program (Protocol № 15 from 23.06.2020 y.)

Content module 1. Basic theory of Economic Policy

Theme 1. Introduction in Economic Policy. Organization and purpose of Economic Policy. From micro and macro economics to economic policies: (a) Purpose and tools of policies; (b) Sources of disagreement. Economic policies in the idealized (neoclassical) model.

Theme 2. Factors that Influence the Economic Development of a Country. Economic Factors in Economic Development. (Capital Formation. Natural Resources. Marketable Surplus of Agriculture. Conditions in Foreign Trade. Economic System.) Non-Economic Factors in Economic Development. (Human Resources, Technical

Know-How and General Education, Political Freedom, Social Organisation, Corruption, Desire to Develop).

Theme 3. The basic principles of formation and implementation of economic policy. The theory of public choice in economic policy. The system goals of economic policy. The mechanism of implementation of economic policy

Theme 4. Types of economic policy. Macroeconomic stabilization policy, which attempts to keep the money supply growing at a rate that does not result in excessive inflation, and attempts to smooth out the business cycle. Trade policy, which refers to tariffs, trade agreements and the international institutions that govern them. Policies designed to create economic growth. Policies related to development economics. Policies dealing with the redistribution of income, property and/or wealth As well as: regulatory policy, anti-trust policy, industrial policy and technology-based economic development policy

Content module 2. Types of economic policy

Theme 5. Macroeconomic stabilization policy. Fiscal policy, often tied to Keynesian economics, uses government spending and taxes to guide the economy. Fiscal stance: The size of the deficit or surplus. Tax policy: The taxes used to collect government income. Government spending on just about any area of government. Monetary policy controls the value of currency by lowering the supply of money to control inflation and raising it to stimulate economic growth. It is concerned with the amount of money in circulation and, consequently, interest rates and inflation. Interest rates, if set by the Government Incomes policies and price controls that aim at imposing non-monetary controls on inflation Reserve requirements which affect the money multiplier.

Theme 6. The structural policy in transition economy of Ukraine. Structural changes in the economy structural policy Components. The mechanism of structural changes in the economy. Directions and priorities of structural policy in Ukraine.

Theme 7. Government economic policy. The allocative function. Public goods. Merit goods. Cost-benefit analysis. Public ownership and privatization. Other forms of government intervention. The stabilization function. History of stabilization policy. Stabilization theory. Stabilization policy problems. Experience in selected countries.

The distributive function. Incidence of taxation and expenditure. Arguments for income redistribution.

Theme 8. Long term fiscal and economic sustainability. Government's inter-temporal budget constraint. Indicators of fiscal sustainability. Fiscal sustainability challenges.

Theme 9. Social and labour market policy. The European policy-making level. Collective bargaining. Immigration. Pensions. Territorial governance. The fate of national social models.

Theme 10. International economic policy and conflict. The Theory of Comparative Advantage and the Gains from Trade. Departures from the Free Trade Optimum. International Factor Movements. Departures from Full Employment/External Balance.

Theme 11. Regional economic policy. State regional policy. The relationship between the state and the region as an economic entity. The features of implementation of regional policy.

Theme 12. The foreign policy in conditions of modern globalization. The essence and directions of foreign economic policy. For foreign economic activity of the state in conditions of globalization. The features of foreign policy of Ukraine.

Theme 13. Economic policy and economic security. The most important sleep characteristics of economic security. The economic policy of economic security. The strategy of economic security of Ukraine.

4. Structure of discipline

Themes and modules	Hours					
	total	l	p	lab		IW
Module 1. Basic theory of Economic Policy						
Content module 1. Basic theory of Economic Policy						
Theme 1. Introduction in Economic Policy.	8	2	2			4
Theme 2. Factors that Influence the Economic Development of a Country	10	2	2			6
Theme 3. The basic principles of formation and implementation of economic policy.	10	2	2			6
Theme 4. Types of economic policy.	10	2	2			6
Total by the module 1	38	8	8			22
Module 2. Types of economic policy						
Content module 2. Types of economic policy						
Theme 5. Macroeconomic stabilization policy	10	2	2			6
Theme 6. The structural policy in transition economy of Ukraine	8	2	2			4

Theme 7. Government economic policy	10	2	2		6
Theme 8. Long term fiscal and economic sustainability	10	2	2		6
Theme 9. Social and labour market policy	10	2	2		6
Theme 10. International economic policy and conflict.	10	2	2		6
Theme 11. Regional economic policy	8	2	2		4
Theme 12. The foreign policy in conditions of modern globalization	8	2	2		4
Theme 13. Economic policy and economic security	8	2	2		4
Total by the module 2	82	18	18		46
Total sum	120	26	26		68

5. Themes and plans of lectures

№ 3/II	Title of the themes	Hours
1	<p><i>Theme 1. Introduction in Economic Policy.</i></p> <p>1. Organization and goals of Economic Policy 2. Economics and politics: their nature and relationship 3. From micro and macroeconomics to economic policies 4. Economic policies in the idealized (neoclassical) model.</p>	2
2	<p><i>Theme 2. Factors that Influence the Economic Development of a Country</i></p> <p>1. Economic Factors in Economic Development 2. Non-Economic Factors in Economic Development 3. Role of State in Economic Development http://www.yourarticlelibrary.com/economics/factors-that-influence-the-economic-development-of-a-country/5942</p>	2
3	<p><i>Theme 3. The basic principles of formation and implementation of economic policy.</i></p> <p>1. The theory of public choice in economic policy 2. The system goals of economic policy 3. The mechanism of implementation of economic policy</p>	2
4	<p><i>Theme 4. Types of economic policy.</i></p> <p>1. Macroeconomic stabilization policy 2. Trade policy 3. Regulatory policy 4. Anti-trust policy 5. Industrial policy 6. Technology-based economic development policy</p>	2
5	<p><i>Theme 5. Macroeconomic stabilization policy</i></p> <p>1. Monetary policy 2. Fiscal policy 3. Income Security Policy https://courses.lumenlearning.com/boundless-politicalscience/chapter/economic-policy/</p>	4
6	<p><i>Theme 6. The structural policy in transition economy of Ukraine.</i></p> <p>1. Structural changes in the economy structural policy</p>	

	<p>Components</p> <ol style="list-style-type: none"> 2. The mechanism of structural changes in the economy 3. Directions and priorities of structural policy in Ukraine. 	
7	<p><i>Theme 7. Government economic policy</i></p> <ol style="list-style-type: none"> 1. The allocative function 2. The stabilization function 3. The distributive function <p>https://www.britannica.com/topic/government-economic-policy</p>	2
8	<p><i>Theme 8. Long term fiscal and economic sustainability</i></p> <ol style="list-style-type: none"> 1. Government's inter-temporal budget constraint 2. Indicators of fiscal sustainability 3. Fiscal sustainability challenges 	2
9	<p><i>Theme 9. Social and labour market policy</i></p> <ol style="list-style-type: none"> 1. The European policy-making level 2. Collective bargaining 3. Immigration 4. Pensions 5. Territorial governance 6. The fate of national social models <p>https://www.bbvaopenmind.com/en/articles/european-employment-and-labour-market-policy/</p>	2
10	<p><i>Theme 10. International economic policy and conflict</i></p> <ol style="list-style-type: none"> 1. The Theory of Comparative Advantage and the Gains from Trade 2. Departures from the Free Trade Optimum 3. International Factor Movements 4. Departures from Full Employment/External Balance 	2
11	<p><i>Theme 11. Regional economic policy</i></p> <ol style="list-style-type: none"> 1. State regional policy 2. The relationship between the state and the region as an economic entity 3. The features of implementation of regional policy 	2
12	<p><i>Theme 12. The foreign policy in conditions of modern globalization</i></p> <ol style="list-style-type: none"> 1. The essence and directions of foreign economic policy 2. For foreign economic activity of the state in conditions of globalization 3. The features of foreign policy of Ukraine 	2
13	<p><i>Theme 13. Economic policy and economic security</i></p> <ol style="list-style-type: none"> 1. The most important sleep characteristics of economic security 2. The economic policy of economic security 3. The strategy of economic security of Ukraine 	2
	Total sum	26

6. Themes of practices

№ з/п	Title of the themes	Hours
1	Introduction in Economic Policy.	2
2	Factors that Influence the Economic Development of a Country	2

3	The basic principles of formation and implementation of economic policy.	2
4	Types of economic policy.	2
5	Macroeconomic stabilization policy	2
6	The structural policy in transition economy of Ukraine	2
7	Government economic policy	2
8	Long term fiscal and economic sustainability	2
9	Social and labour market policy	2
10	International economic policy and conflict.	2
11	Regional economic policy	2
12	The foreign policy in conditions of modern globalization	2
13	Economic policy and economic security	2
	Total sum	26

7. Independent work

№ 3/II	Title of the themes	Amount of hours
1	<i>Theme 1. Introduction in Economic Policy.</i> Economic policies in the idealized (neoclassical) model.	4
2	<i>Theme 2. Factors that Influence the Economic Development of a Country</i> Non-Economic Factors in Economic Development	6
3	<i>Theme 3. The basic principles of formation and implementation of economic policy.</i> The mechanism of implementation of economic policy	6
4	<i>Theme 4. Types of economic policy.</i> 1. Industrial policy 2. Technology-based economic development policy	6
5	<i>Theme 5. Macroeconomic stabilization policy</i> Monetary policy	6
	<i>Theme 6. The structural policy in transition economy of Ukraine.</i> Directions and priorities of structural policy in Ukraine.	
6	<i>Theme 7. Government economic policy</i> The distributive function	4
7	<i>Theme 8. Long term fiscal and economic sustainability</i> Fiscal sustainability challenges	6
8	<i>Theme 9. Social and labour market policy</i> 1. Territorial governance 2. The fate of national social models	6
9	<i>Theme 10. International economic policy and conflict</i> Departures from Full Employment/External Balance	6
10	<i>Theme 11. Regional economic policy</i> The features of implementation of regional policy	6
11	<i>Theme 12. The foreign policy in conditions of modern globalization</i> The features of foreign policy of Ukraine	4

12	Theme 13. Economic policy and economic security The strategy of economic security of Ukraine	4
	Total sum	68

8. Methods of studying

1. Methods of studying by the origins of knowledge:

1.1. *Verbal*: narration, lection, instruction, literature's analysis (note-taking, scheme's construction etc.).

1.2. *Demonstrative*: presentation, illustration, investigation.

1.3. *Practical*: tasks solving, practical issues.

2. Methods of studying by the character of logic of knowledge:

2.1. *Analytical* – forming the practical skills for production structure analysis

2.2. *Methods of synthesis* – grouping of production costs and outputs

2.3. *Inductive* – studying the methods of production costs reducing and developing the strategies of costs reducing

2.4. *Deductive* – studying the structure of production processes and methods of operative decision making.

3. Methods of studying by the character and level of independent student's work:

3.1. *Problem* - studying the modern methods of production organization

3.2. *Reproductive* – costs estimation and marginal income calculations

4. **Active methods of studying** - discussions, case studies, presentations, conferences and disputes, economic games, imitation methods of studying

5. **Interactive technologies of studying** - using the computer technologies for production processes analysis (MS PowerPoint for presentations), teaching-learning, Kahoot, Quizlet, Google classroom.

9. Methods of control

1. Estimation of knowledge basing on 100 points scale ECTS.

2. Intermediate control during the semester (Intermediate attestation)

3. Polycriterial estimation of current students work during the semester:

- level of knowledge, demonstrated at practices;

- level of activity at discussions;

- express-control during the classes;

- independent preparing for classes;
- tasks solutions;
- topics and presentations preparing;
- tests etc.

4. Direct accounting of individual task solution.

10. Points distribution

Current tests and independent work															
Content module 1 - 35 points							Content module 2 -35 points					IW	Modules and IW	Attestation	Total sum
T 1	T 2	T 3	T 4	T 5	T 6	T 7	T 8	T 9	T 10	T 11	T 12	15	(70+15) 85	15	100
5	5	5	5	5	5	5	11	6	6	6	6				
Total sum for M 1 - 35							Total sum for M 2 - 35								

12. Scale of estimation: national and ECTS

Sum of points	ECTS	Estimation by national scale	
		examination	credit
90 – 100	A	excellent	credited
82-89	B	good	
75-81	C		
69-74	D		
60-68	E	satisfactorily	not credited, repeated passing is possible
35-59	FX	unsatisfactorily, repeated passing is possible	
1-34	F	unsatisfactorily, repeated discipline's studying is needed	not credited, repeated discipline's studying is needed

13. Methodological guidelines

1. Electronic course in the discipline "Economic Policy", posted at: <https://cdn.snau.edu.ua/moodle/course/view.php?id=3484>

2. Brychko A.M. Economic policy: Synopsis of lectures for English-speaking students for 1st master course students daily form of education. Speciality 051

«Economics» Training program «Business Economics» / Sumy, SNAU, 2020. – 179 p.
(Протокол № 5 від 26.03.20)

3. Olena P. Slavkova, Olena Dovzhyk The teaching manual on discipline Economic Policy for the first year students of the speciality «Business economy» on an educational Master's degree. – Sumy, 2019. – 33 pages.

14. Recommended literature

Basic

1. Kramer, L. (2019). "What Is Fiscal Policy?", Dotdash.
2. Monetary and fiscal policy. <https://www.khanacademy.org/economics-finance-domain/macroeconomics/monetary-system-topic/macro-monetary-policy/v/monetary-and-fiscal-policy>
3. <https://www.cliffsnotes.com/study-guides/economics/introduction/economic-policy>
4. Schmidt, M (2018). "A Look at Fiscal and Monetary Policy", Dotdash

Additional (Statistical data from Internet)

1. Bryant, John, and Neil Wallace. 1978. Open-market operations in a model of regulated, insured intermediaries. Research Department Staff Report 34. Federal Reserve Bank of Minneapolis.
2. Eggertsson, Gaudi B. 2009. What fiscal policy is effective at zero interest rates? Staff Report 402. Federal Reserve Bank of New York.
3. Kocherlakota, Narayana R. 2007. Model fit and model selection. Federal Reserve Bank of St. Louis Review 89 (July/August), 349–360.
4. Kydland, Finn, and Edward C. Prescott. 1977. Rules rather than discretion: The inconsistency of optimal plans. Journal of Political Economy 85 (June), 473–491.
5. Lucas, Robert E. Jr. 1976. Economic policy evaluation: A critique. Carnegie-Rochester Conference Series on Public Policy 1, 19–46.
6. Sargent, Thomas J., and Neil Wallace. 1985. Some unpleasant monetarist arithmetic. Federal Reserve Bank of Minneapolis Quarterly Review 9 (Winter), 15–31.

7. Smets, Frank, and Raf Wouters. 2003. An estimated dynamic stochastic general equilibrium model of the euro area. *Journal of the European Economic Association* 1 (September), 1123–1175.
8. Stern, Gary H., and Ron J. Feldman. 2004. *Too big to fail: The hazards of bank bailouts*. Washington, D.C.: Brookings Institution.
9. Introduction to Fiscal Policy.
<https://www.youtube.com/watch?v=4FNdUTN4cHY>
10. Fiscal Policy: The Best Case Scenario.
<https://www.youtube.com/watch?v=NMIlmij7FRkI>
11. Fiscal Policy and Stimulus: Crash Course Economics #8.
<https://www.youtube.com/watch?v=otmgFQHbaDo>
12. Simonsen, M.H. *The Econometrics and The State* Brasilia University Editor, 1960–1964.
13. Heyne, P. T., Boettke, P. J., Prychitko, D. L. (2002). *The Economic Way of Thinking* (10th ed). Prentice Hall.
14. Larch, M. and J. Nogueira Martins (2009). *Fiscal Policy Making in the European Union: An Assessment of Current Practice and Challenges*. Routledge.
15. Hansen, Bent (2003). *The Economic Theory of Fiscal Policy, Volume 3*. Routledge.
16. Anderson, J. E. (2005). *Fiscal Reform and its Firm-Level Effects in Eastern Europe and Central Asia*, Working Papers Series wp800, William Davidson Institute at the University of Michigan.
17. Pettinger, T. (2017). "Difference between monetary and fiscal policy", EconmicsHelp.org
18. Amadeo, K. (2018). "Fiscal Policy Types, Objectives, and Tools", Dotdash
19. Macek, R; Janků, J. (2015) "The Impact of Fiscal Policy on Economic Growth Depending of Institutional Conditions"
20. A Look At Fiscal And Monetary Policy.
<https://www.investopedia.com/articles/economics/12/fiscal-or-monetary-policy.asp>

21. Chari, V. V., Patrick J. Kehoe, and Ellen R. McGrattan. 2009. New Keynesian models: Not yet useful for policy analysis. *American Economic Journal: Macroeconomics* 1 (January), 242–266.

22. Caribbean Region Quarterly Bulletin. A Look at 2018 and Beyond. volume 7, Issue 4 December 2018. URL: https://publications.iadb.org/publications/english/document/QB_2018_4th_quarter.pdf