

Economic Dynamics: Autumn Semester, 2021

Instructors: **David Wheat**, Professor, NaUKMA; Professor Emeritus, University of Bergen;
Alina Novik, Senior Lecturer, NaUKMA; and **Marianna Oliskevych**, Professor, LNU.

Course Description: This course introduces basic principles of economic dynamics and compares static models with dynamic models. Emphasis is on the 'source' of dynamics: what is causing THIS dynamic behavior?

Course Prerequisites: None.

Course Objectives: To enable students to...

- Distinguish between static and dynamic economic models;
- Compare correlational models and causal models;
- Develop basic skills in system dynamics modeling.

Instructional Methods: This is mostly an online course, using Zoom. All lectures are supplemented by reading assignments, tutorials, and modeling exercises. Onsite computer lab sessions will provide opportunities to improve skills introduced during the lectures and assignments. All assignment deadlines will be decided by Alina and Marianna.

Readings:

- Textbook: *Business Dynamics* (Sterman, 2000): **BD**
- Other reading to be assigned

Software: *Stella Architect*. Install before first lecture. Always bring laptops to lectures & labs.

Grading: Your course grade will be calculated as follows:

- homework & discussion (40%)
- attendance (10%)
- exam (50%)

Office Hours: Online, by appointment.

Attendance/Participation: Active participation is an important aspect of this course. Your own self-discipline will determine whether you maintain a steady, comfortable pace in this course.

Integrity: Naturally, you are expected to do your own work. The first evidence of dishonesty results in a grade of zero on the relevant assignment; a second offense results in course failure.

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wk	date	topic	LM	pre-reading (assigned pages)
1	Sep 16	Introduction to Dynamic Modeling	O	—
2	Sep 23	Simplified 'Three-Equation Model'	O	<i>Wheat & Oliskevych 2018</i>
3	Sep 30	Adding Money to the Model	P	TBA
4	Oct 7	Monetary Policy: Exogenous Friedman Rule	O	TBA
5	Oct 14	Monetary Policy: Endogenous Taylor Rule	O	TBA
6	Oct 18-22	— autumn break —		
7	Oct 28	Adding Banking Sector to the Model	O	TBA
8	Nov 4	Adding Central Bank to the Model	O	TBA
9	Nov 11	Adding Foreign Sector to the Model	O	TBA
10	Nov 18	Extensive Model Testing	P	TBA
11	Nov 19- Dec 16	Final Exam	—	—

Lecture Mode (LM): O = online P = in-person

BD: Business Dynamics (Sterman)

TBA: to be assigned