Name of subject: ADVANCED MACROECONOMICS AND FINANCE	Contact: hugo.rodriguez at iae.csic.es
Code: OT	Term: Year 2, Semester 2
ECTS Credits: 10	Working language: English

Instructors

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Objectives and Contextualization

This module presents some of the most widely used theoretical and empirical models in modern macroeconomics. By providing the student with solid theoretical foundations, the goal of this module is to bring the student to frontier applications in macroeconomics and open new lines of research. The models seen in this module can be learned from the fields of labor economics, international macroeconomics, monetary policy and fiscal policy. Labor economics uses heterogeneous agent models and search and matching models to understand, among others, labor demand and supply, economic inequality and fluctuations in the labor market. International economics builds models of international trade and assesses their empirical relevance, explaining, for example, the role of exchange rate fluctuations in a financial crisis. Monetary policy focuses on both theoretical and empirical aspects of monetary policy and the business cycle. Fiscal policy builds advanced models to design efficient fiscal policies and understand their effects.

Skills

CB6	To acquire the knowledge that provides the basis for originality in developing and/or applying ideas, often in a research context
CB7	The students can apply the acquired knowledge to solve problems in new environments, within broader contexts, that are related to their field of study
CB8	Students should be able to integrate knowledge and be confronted with the difficulty of formulating judgments based on incomplete and limited information
CB9	The students can communicate their conclusions to both specialists and non-specialists in a clear and unambiguous way
CB10	Students must have the learning skills necessary to continue studying in a way that is, mostly, self-directed and autonomous

Learning Outcomes

Specific:

E01	Ability to articulate the fundamentals of economic theory analytically, deriving them with mathematical reasoning
E01.08	In the area of macroeconomics and finance, to identify the main assumptions that can provide answers
E04	To analyze a particular economic problem using advanced analytical tools
E04.06	To identify an economic question and propose a theoretical model or an empirical methodology that addresses the question of interest
E06	To provide policy recommendations both at the micro and macro levels
E06.05	To elaborate formal arguments that can explain specific macroeconomic and financial phenomena
E06.06	To interpret the model and the conclusions as well
E07	To conduct research in economics
E07.03	To address an economic question using mathematical or empirical models that can correctly identify the answer
General:	
GT01	To find information in the existing literature
GT03	To apply the research method, its techniques and advanced tools, to investigate and provide new results in a particular area of expertise
GT04	To form opinions and defend them dialectically
GT05	To show a positive and innovative attitude

Activities

Type	Hours
Directed	75
Supervised	25
Autonomous	150

Methodology

- Theory classes
- Practical classes
- Learning based on problem solving
- Tutorials
- Personal study
- Study groups
- Textbook reading
- Article reading

Evaluation

Final Exam	70%
Class attendance and active participation	10%
Problem sets and assignments	20%

Contents

1. Dynamic models of optimal policy and expectations
2. Money and banking
3. Topics in applied labor economics
4. Finance
5. Economic growth
6. Macroeconometrics

Bibliography (textbooks)

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- Galí, Jordi (2008), Monetary Policy, Inflation and the Business Cycle, Princeton University Press
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- Barro Robert and Xavier Sala-i-Martin (1995), Economic Growth. McGraw Hill.
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