

Macroeconomics III

Code: 102382
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OT	4	0
2501573 Economics	OB	3	2

Contact

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Use of languages

Principal working language: catalan (cat)
Some groups entirely in English: Yes
Some groups entirely in Catalan: Yes
Some groups entirely in Spanish: Yes

Teachers

Francisco Obiols Homs

External teachers

Luis Rojas

Prerequisites

Introduction to Economics.

Mathematics I.

Mathematics II.

Statistics I.

Macroeconomics I.

Macroeconomics II.

Objectives and Contextualisation

This course presents the standard models to study the countries' economic growth of countries and its long run income. It analyzes how fiscal and monetary policy affect the long run economic variables and it presents a brief introduction to economic fluctuations.

Skills

Business Administration and Management

- Apply mathematical instruments to synthesise complex economic-business situations.
- Capacity for adapting to changing environments.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Capacity for oral and written communication in Catalan, Spanish and English, which enables synthesis and oral and written presentation of the work carried out.
- Demonstrate an understanding of the basic and intermediate foundations of macroeconomics.
- Demonstrate initiative and work individually when the situation requires it.
- Demonstrate knowledge of the interrelationships between different economies, the role of national and international economies, their evolution and the consequences that may be produced for the company.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.

Economics

- Demonstrate knowledge of the interrelationships between different economies, the role of national and international economies, their evolution and the consequences that may be produced for the company.

Learning outcomes

1. A capacity of oral and written communication in Catalan, Spanish and English, which allows them to summarise and present the work conducted both orally and in writing.
2. Assess the impact of technological and demographic change and accumulation of capital on levels of wellbeing.
3. Capacity to adapt to changing environments.
4. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
5. Demonstrate initiative and work independently when required.
6. Demonstrate motivation regarding the quality of the work performed and sensitivity regarding the consequences on the environment and society.
7. Describe the determinants of economic growth and the international differences in income per capita.
8. Explain the effects of fiscal and monetary policies on the economy using dynamic general equilibrium models.
9. Formalise the intertemporal decisions of saving, consumption and investment.
10. Organise work, in terms of good time management and organisation and planning.
11. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
12. Understand the determinants of job offers and job-seeking on an individual basis.
13. Understand the dynamic nature of economic decisions, and the microeconomic foundations of modern macroeconomics.

Content

PART I ECONOMIC GROWTH

1. Overlapping generations models

- 1.1 Population structure
- 1.2 Efficient allocation
- 1.3 Competitive equilibrium
- 1.4 Inefficiency of the competitive equilibrium
- 1.5 The model with production
- 1.6 Exercises

2. Infinite horizon models

- 2.1 Competitive equilibrium
- 2.2 Arrow-Debreu version
- 2.3 Efficient allocation
- 2.4 Speed of convergence
- 2.5 Steady state analysis
- 2.6 Population growth
- 2.7 The leisure-labour decision
- 2.8 Exogenous technological progress
- 2.9 Exercises

PART II: ECONOMIC POLICY

3. Fiscal policy

- 3.1 The government budget constraint
- 3.2 Lump sum and proportional taxes
- 3.3 The ricardian equivalence theorem
- 3.4 Financing pension systems
- 3.5 Exercises

4. Monetary policy

- 4.1 The OLG model with money
- 4.2 Money in the utility function
- 4.3 Money with a cash in advance constraint
- 5.4 Exercises

PART III: BUSINESS CYCLES

5. Economic fluctuations

- 5.1 Choice under uncertainty
- 5.2 The real business cycle model without capital
- 5.3 The real business cycle model with capital
- 5.4 Extensions of the real business cycle model
- 5.5 Exercises

Methodology

In this subject we combine classical lectures with ICT support with more applied sessions devoted to solving problem sets and exercises.

Activities

Title	Hours	ECTS	Learning outcomes
Type: Directed			
Homework and group discussion	15	0.6	2, 1, 7, 12, 13, 8, 9, 11
Lectures	30	1.2	2, 7, 12, 13, 8, 9
Type: Supervised			
Office Hours	10	0.4	2, 1, 7, 13, 8, 9, 11
Type: Autonomous			

Evaluation

valuation criteria:

The evaluation of the course will be held continuously by partial exams, lists of exercises and problems related to the material explained in class and a final exam. The weight of each of the above components in the calculation of the final grade is as follows: 60% for the final exam and 40% for two midterms.

All students are required to perform tests and other measurable tasks on the dates indicated in the academic calendar of the subject. Under no circumstances they can do extraordinary tests out of the dates.

If applying the weights mentioned above the student's grade is 5 or higher, he pass the subject and it can not be subject to further evaluation. In the case of less than 4 note, the student will have to repeat the course in the next year. For those students who have obtained a grade that is equal to or greater than 4 and less than 5 there will be a re-evaluation. The teachers of the subject will decide the modality of this re-evaluation. This re-evaluation is scheduled in the last week of the semester. The note of the re-evaluation will be qualitative and will only have two options: either PASS or FAIL. If the student gets a score of PASS he passes the subject with a numerical grade equal to 5. If the student gets a grade of FAIL, he does not pass the subject and the final score is equal to the grade obtained before the re-evaluation.

A student who does not make any evaluative test is considered not evaluable, therefore, a student who performs a continuous assessment component can no longer be qualified with a "not evaluable".

Code of honor:

Without prejudice to other disciplinary action as deemed appropriate and in accordance with current academic regulations, it will be qualified with a zero any irregularity committed by the student that can lead to a variation of the rating in an act of evaluation. Therefore, copy or allow to copy an exam or any other evaluation activity will be graded with a zero, and if this activity is necessary to pass the course, the whole subject will be suspended. Evaluation activities graded in this way and by this procedure are not recoverable.

Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
Final exam	70% of the final grade	3	0.12	2, 3, 1, 4, 7, 12, 13, 8, 9, 6, 10, 11
Midterm exams	30% of the final grade	1	0.04	2, 3, 1, 4, 5, 7, 12, 13, 8, 9, 6, 10, 11

Bibliography

Acemoglu, D. (2009); "Introduction to Modern Economic Growth", Princeton University Press

Krueger, D. (2012); "Macroeconomic Theory", unpublished manuscript, <http://www.ssc.wisc.edu/~aseshadr/econ714/MacroTheory.pdf>

Galí, J. (2016); "Real Business Cycle Models", class materials, http://www.crei.cat/wp-content/uploads/2016/07/models_reals_abril2017.pdf

Romer, D. (2002); "Advanced Macroeconomics. Second Edition", McGraw Hill.