

Macroeconomics I

Code: 102384
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OB	2	2
2501573 Economics	OB	2	2

Contact

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Use of languages

Principal working language: spanish (spa)
Some groups entirely in English: Yes
Some groups entirely in Catalan: Yes
Some groups entirely in Spanish: Yes

Teachers

José Clemente Polo Andrés
Angela Fiedler
Elena Costas Perez

Prerequisites

Introduction to Economics.
Math I.
Math II.
Statistics I.

Objectives and Contextualisation

This course proposes and discusses the main tools and instruments from both the theoretical and the empirical point of view, to be used in the analysis of the evolution of an economic system. Main themes of study are Production, and the distribution and allocation of income over time, and its relationship with other aggregate (macro-economic) variables of interest.

Skills

Business Administration and Management

- Apply mathematical instruments to synthesise complex economic-business situations.
- 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. Calculate the steady state in the Solow model and determine equilibrium in the IS-LM and Mundell-Fleming models.
3. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
4. Demonstrate initiative and work independently when required.
5. Demonstrate motivation regarding the quality of the work performed and sensitivity regarding the consequences on the environment and society.
6. Describe the determinants of economic growth and the international differences in income per capita.
7. Examine the effect of economic policies on macroeconomic variables and assess the effects of countercyclical policies.
8. Identify the elements of the gross domestic product and the national income.
9. Organise work, in terms of good time management and organisation and planning.
10. Relate unemployment and inflation.
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.

Content

1. Introduction
 - 1.1 Macroeconomic variables.
 - 1.2 Gross domestic Product (GDP).
 - 1.3 Inflation and the cost of living: GDP deflator and CPI.
 - 1.4 The circular flow of income: Production, distribution and expenditure.
2. Growth and economic growth models.
 - 2.1 Growth and growth accounting.
 - 2.2 Capital accumulation, technological progress; Solow's model.
 - 2.3 Empirical evidence: absolute and conditional convergence.
 - 2.4 A simple model of endogenous growth.
3. The labor market
 - 3.1 Main variables.

- 3.2 A simple model of the natural rate of unemployment
- 3.3 Frictional unemployment
- 3.4 Structural unemployment
- 4. Economic fluctuations
 - 4.1 Economic cycles.
 - 4.2 The aggregate demand curve.
 - 4.3 Aggregate supply in the short and long run.
- 5. The IS-LM model IS-LM and the aggregate demand curve.
 - 5.1 The Keynesian cross model.
 - 5.2 Multipliers and fiscal policy
 - 5.3 The IS curve.
 - 5.4 Financial assets, money market and the LM curve.
 - 5.5 Effects of monetary and fiscal policies in the IS-LM model
 - 5.6 The aggregate demand curve.
- 6. Macroeconomics in an open economy.
 - 6.1 Exchange rates and exchange rates regimes.
 - 6.2 The Mundell-Fleming model.
 - 6.3 Effects of fiscal and monetary policies in an open economy.

Methodology

This subject combines lectures with ITC support and more applied sessions devoted to problem solving.

Activities

Title	Hours	ECTS	Learning outcomes
Type: Directed			
Exercices and group discussion.	15	0.6	2, 1, 3, 4, 6, 12, 7, 8, 5, 9, 10, 11
Lectures	30	1.2	2, 1, 3, 4, 6, 12, 7, 8, 5, 9, 10, 11
Type: Supervised			
Tutorials.	15	0.6	2, 3, 6, 12, 7, 8, 5, 10
Type: Autonomous			
Readings	15	0.6	2, 1, 3, 4, 6, 12, 7, 8, 5, 9, 10, 11
Study. Preparing exercises and group discussion.	67.5	2.7	2, 1, 3, 4, 6, 12, 7, 8, 5, 9, 10, 11

Evaluation

The course will be evaluated continuously by means of several partial evaluation activities, in addition to a final exam. The weight of these components in the final grade will be given as follows:

- 60% minimum for the final exam,
- 40% maximum for the other partial evaluation activities.

Partial evaluation activities:

There will be at least one partial evaluation activity (in case there is only one, it will necessarily be a mid-term exam, which duration will not exceed 90 minutes). Professors might offer students to read and comment economic articles taken from economic newspapers to relate economic models and economic reality. This voluntary homework (maximum one page) will be done individually and it will provide teachers with an additional piece of information along with the grades obtained in the exams. None of the evaluation activities will reduce (or eliminate) the materials under evaluation in the final exam.

Final exam:

It includes all the materials of the course. The exam is designed to force the student to perform a final learning effort to consolidate the previously acquired knowledge. The duration of the final exam will not exceed 3 hours.

It is compulsory for all students to write the final exam and any other partial evaluation activity as they are scheduled in the time-table of the course. In no case it will be possible to have extraordinary evaluations in dates not fixed before-hand in the corresponding time-table.

In case the final grade corresponding to the weights mentioned above is 5 or higher, the course is considered approved and it won't be possible to re-evaluate it. In case the final grade is lower than 4, the student will have to re-take the course in the following year. For those students with final grades in the range of 4 and higher but smaller than 5 there will be a re-evaluation activity. The professors of the course will fix the details of the re-evaluation activity. The re-evaluation activity is scheduled to take place in the last week of the semester. The grade of the re-evaluation activity will be qualitative and it will be one of the only two possible options: either PASS, or FAIL. In case the student obtains a PASS, the course is considered approved and it will receive a numerical grade not larger than 5. In case the result of the re-evaluation is FAIL, the course is considered not approved, and the numerical grade will be the one obtained before the re-evaluation activity.

A student will be considered "No Avaluable" only in case she/he has not participated in any evaluation activity. Hence, if the student participates in one of the evaluation activities then she/he cannot be considered as "No Avaluable".

Code of Honor:

In line with the current academic rules, and without prejudice of other disciplinary measures that may be considered convenient, all irregular activities conducted by the student with the objective of modifying the grade of any evaluation activity will be graded with a zero. Therefore, to copy -or allowing others to copy- an exercise or an evaluation activity such as an exam will be punished with a zero. In case a grade of 5 or higher in that activity is required to pass the course, the course will be directly marked as FAIL. It won't be possible to re-do any evaluation activity qualified following this procedure, hence the course will be failed and the student will need to re-take it in the following academic year.

Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
Final examination	60%	3	0.12	2, 1, 3, 4, 6, 12, 7, 8, 5, 9, 10, 11

Bibliography

It is preferable to use the original English textbooks:

Mankiw, N. G., *Macroeconomics*, 8th edition, 2011. Barcelona: Antoni Bosch Editor.

Blanchard, O., A. Amighini y F. Giavazzi, *Macroeconomics. A European Perspective*, 2013. New York: Pearson.