

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

Jordi Caballé Vilella

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 Competitive equilibrium
- 1.2 Efficiency of the competitive equilibrium
- 1.3 The model with production

2. Infinite horizon models

- 2.1 Competitive equilibrium
- 2.2 Efficiency of the competitive equilibrium
- 2.3 Speed of convergence

- 2.4 Transitional dynamics
- 2.5 Population growth
- 2.6 The leisure-labour decision
- 2.7 Exogenous technological progress

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

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

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

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	16	0.64	2, 1, 7, 12, 13, 8, 9, 11
Lectures	34	1.36	2, 7, 12, 13, 8, 9
Type: Supervised			
Office Hours	15	0.6	2, 1, 7, 13, 8, 9, 11
Type: Autonomous			
Studying, homework preparation and group discussion.	79	3.16	2, 3, 1, 4, 5, 7, 12, 13, 8, 9, 6, 10, 11

Evaluation

Evaluation criteria:

The evaluation of the course will be held continuously and will include three evaluation activities of two different typologies, one of them will be a final exam with a weight of 50% in the final grade that will include multiple choice questions, the other will be two midterm exams with problems that will compute a 25% of the final grade each one.

All students are required to perform the evaluation activities. If the student's grade is 5 or higher, the student pass the course and it can not be subject to further evaluation. In the case of less than 3,5, the student will have to repeat the course the following year. For those students who have obtained a grade that is equal to or greater than 3,5 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 grade 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 is considered to have passed the subject with a maximum numerical grade equal to 5. If the student gets a grade of FAIL, does not pass the subject and the final score is equal to the grade obtained before the re-evaluation.

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

Calendar of evaluation activities

The dates of the evaluation activities (midterm exams, exercises in the classroom, assignments, ...) will be announced well in advance during the semester.

The date of the final exam is scheduled in the assessment calendar of the Faculty.

"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity." **Section 1 of Article 115. Calendar of evaluation activities (Academic Regulations UAB).** Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an **Application for exams' reschedule**
https://eformularis.uab.cat/group/deganat_feie/application-for-exams-reschedule

Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

Retake Process

"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject." **Section 3 of Article 112 ter. The recovery (UAB Academic Regulations).** Additionally, it is required that the student to have achieved an **average grade of the subject between 3.5 and 4.9.**

The date of the retake exam will be posted in the calendar of evaluation activities of the Faculty. Students who take this exam and pass, will get a grade of 5 for the subject. If the student does not pass the retake, the grade will remain unchanged, and hence, student will fail the course.

Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, *"in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0".* **Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).**

Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
2 Midterm exams	40% of the final grade	2	0.08	2, 3, 1, 4, 5, 7, 12, 13, 8, 9, 6, 10, 11
Final exam	50% of the final grade	2	0.08	2, 3, 1, 4, 7, 12, 13, 8, 9, 6, 10, 11
Problem set	10% of the final grade	2	0.08	2, 1, 7, 13, 8, 9, 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/rbc_models_april2018.pdf

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