

Macroeconomics II

Code: 102383
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OT	4	1
2501573 Economics	OB	3	1

Contact

Name: Javier Fernandez Blanco
Email: javier.fernandez@uab.cat

Use of Languages

Principal working language: spanish (spa)
Some groups entirely in English: Yes
Some groups entirely in Catalan: No
Some groups entirely in Spanish: Yes

Teachers

Javier Fernandez Blanco

Prerequisites

Introduction to Economics

Mathematics 1

Mathematics 2

Statistics 1

Macroeconomics 1

Objectives and Contextualisation

The goal of the course is to study a number of interesting macroeconomic questions by taking a formal approach with basic general equilibrium models. Special emphasis is put on the study of labor markets and fiscal and monetary policies. This course helps to bridge the gap between Macroeconomics I and Macroeconomics III courses by familiarizing the student with the formal analysis of macroeconomic questions.

Competences

- 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.

Economics

- 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.
- Demonstrate an understanding of the basic and intermediate foundations of macroeconomics.
- 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.

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. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
3. Demonstrate initiative and work independently when required.
4. Describe the functioning of the labour market and its frictions.
5. Explain the effects of fiscal and monetary policies on the economy using dynamic general equilibrium models.
6. Formalise the intertemporal decisions of saving, consumption and investment.
7. Organise work, in terms of good time management and organisation and planning.
8. Recognise the models of economic fluctuation of real and New Keynesian economic cycles.
9. Relate unemployment and inflation.
10. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
11. Understand the dynamic nature of economic decisions, and the microeconomic foundations of modern macroeconomics.

Content

TOPIC 1: CONSUMPTION, SAVINGS AND THE INTERTEMPORAL DECISION

1.1 The consumer's intertemporal problem

1.2 The competitive equilibrium

1.3 The life cycle hypothesis

1.4 The permanent income hypothesis

TOPIC 2: THE LABOR MARKET AND UNEMPLOYMENT

2.1 The consumption-leisure decision and the labor supply

2.2 Labor demand

2.3 Competitive equilibrium in the labor market: the classical model

2.4 Definitions of unemployment

2.5. Models of unemployment without search and matching frictions

2.6. Models of unemployment with search and matching frictions

TOPIC 3: INVESTMENT

3.1 The neoclassical investment function

3.2 Investment and Tobin's q

TOPIC 4: FISCAL POLICY

4.1 Competitive equilibrium with lump sum and proportional taxes

4.2 The Ricardian Equivalence theorem

4.3 Deficit and public debt

4.4 Tax Progressivity

4.5. Social security and pensions. Overlapping generations model

TOPIC 5: MONEY AND MONETARY POLICY

5.1 Money and monetary aggregates

5.2 Monetary policy of the European Central Banc

5.3 The money multiplier

5.4 Money demand: the Sidrauski's model and the Baumol-Tobin model

5.5 Banks and bank panics. The Diamond-Dybvig model of banks

TOPIC 6: IMPERFECT COMPETITION

6.1 General equilibrium with imperfect competition

6.2 Mark-ups and market power

TOPIC 7: MACROECONOMIC POLICY WITH IMPERFECT INFORMATION

7.1 The Lucas supply curve

7.2 The Lucas model with rational expectations

7.3 The Phillips curve

7.4 The macroeconomic model with the Phillips supply curve and the role of expectations

7.5 The intertemporal inconsistency of macroeconomic policy

Methodology

In this subject we combine classical lectures with ICT support together with more applied sessions devoted to solving problems and exercises lists.

Teaching will be offered on campus or in an on-campus and remote hybrid format depending on the number of students per group and the size of the rooms at 50% capacity.

The proposed teaching methodology may undergo some modifications according to the restrictions imposed by the health authorities on on-campus courses.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Homework and group discussion	17	0.68	1, 2, 3, 4, 11, 5, 6, 7, 8, 9, 10
Lectures	32.5	1.3	1, 4, 11, 5, 6, 7, 8, 9, 10
Type: Supervised			
Office Hours	1	0.04	4, 11, 5, 6, 8, 9, 10
Type: Autonomous			
Studying, homework preparation and group discussion	96	3.84	1, 2, 3, 4, 11, 5, 6, 7, 8, 9, 10

Assessment

Evaluation criteria:

The evaluation of the course will be held continuously and will include three evaluation activities. First, a final exam with a weight of 50% in the final grade. Second, a midterm exam that will amount to 35% of the final grade. Finally, there will be a group project that will compute 15% of the final grade. If the grade of the final exam is below 3.5 out of 10, the group project will obtain a 0 grade.

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/nou-reprogramacio-de-proves

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.

A student will be given a non-assessable grade if has not participated in any of the evaluation activities.

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).

The proposed evaluation activities may undergo some changes according to the restrictions imposed by the health authorities on on-campus courses.

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
1 Midterm exam	35%	1.5	0.06	1, 2, 3, 4, 11, 5, 6, 7, 9, 10
Final exam	50%	2	0.08	1, 2, 3, 4, 11, 5, 6, 7, 8, 9, 10
Group project	15% (if the grade of the final exam is below 3.5 out of 10, the group project will receive a grade equal to 0)	0	0	1, 2, 3, 4, 11, 5, 6, 7, 8, 9

Bibliography

Williamson S.D. (2018); *Macroeconomics* 6th Edicion, Pearson

Rodrik D. (2015); *Economics rules: The rights and wrongs of the dismal science*. WW Norton & Company

Software

no particular software