

 <p data-bbox="357 255 703 286">UNIVERSITAT DE BARCELONA</p> 	<p data-bbox="805 286 1141 318">Syllabus of the course</p>
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General information about the course

Course title: Macroeconomics. Code: 363651

Course type: Compulsory

Academic year: 2011-2012

Department: Dept. Economic Theory

Credits: 6

Period: Third trimester

Coordination: JOAQUIN TURMO GARUZ

Abilities to be developed in the course

Common to the rest of UB

- Learning skills and responsibility (analysis, synthesis, global view, implementation of theory to practice / ability to take decisions and adapt to new situations).
- Team work (ability to cooperate with others and to contribute to a common project / ability to cooperate in interdisciplinary and multicultural environments).

Specific to the study program

- Ability to identify the economic actors that shape an economy, to understand how these interact with each other in order to take economic decisions and to master all their effects.
- Ability to understand the economic environment and its repercussions on the activities to be undertaken in the future profession. Consequently, ability to take economic and entrepreneurial decisions in the current economic context.

Learning objectives of the course

Referring to knowledge

To understand the basic aspects of the functioning of the aggregate economy.

To learn the main macroeconomic components of a country's national accounts.

To understand the main determinants of a country's economic growth.

To understand the relation between savings and investment.

To have an intuition of what a country's financial system is and how it works.

To learn the Keynesian cross diagram, the basic model of the real and financial sector, and the model of aggregate demand and supply.

To understand how the model of aggregate demand and supply works in the short and long term.

To learn the mechanisms and the theories that describe the creation of money (the money supply).

To learn which are the main purposes of a central bank and to know the main monetary policy tools at its disposal.

To learn the Phillips curve in the short and long run.

To understand the concepts of inflation and deflation.

To learn the different views that shape the modern macroeconomy.

To learn what a country's balance of payments is and how it works.

To understand the concept of an exchange rate and its influence on the economy.

Referring to abilities, skills

To learn how to compute the various macroeconomic components of an economy.

To learn to analyze the effects of different economic policies in the models of Keynesian cross, IS-LM, and aggregate demand and supply by means of comparative statics exercises.

To understand (and to learn how to compute) the concept of a multiplier in the Keynesian cross model.

1. Introduction. What macroeconomics is about.

1.1. Basic aspects of macroeconomics: macroeconomic variables and issues.

1.2. Introduction to the variables and the markets: goods and services market, money market, labor market.

Bibliography:

- Dornbursch, R. Fischer, S. Startz, R. (2008): Chapt. 1, 2.
- Mankiw, G. (2006): Chapt. 1, 2.

2. Basic models of the determination of national income. Short and long run.

2.1. The neoclassical model and economic growth.

2.2. The Keynesian cross model.

Bibliography:

- Dornbursch, R. Fischer, S. Startz, R. (2008): Chapt. 3, 4 i 9.
- Mankiw, G. (2006): Chapt. 2, 7 i 10.

3. The market for goods and services and the IS curve

3.1. The components of aggregate demand.

3.2. Origin and analysis of the IS.

3.3. The IS and the exogenous variations of public spending: the fiscal policy.

Bibliography:

- Dornbursch, R. Fischer, S. Startz, R. (2008): Chapt. 10.
- Mankiw, G. (2006): Chapt. 10 .

4. The money market and the LM curve

4.1. The financial system and the supply and demand for money.

4.2. Origins and analysis of the LM.

4.3. The LM and the monetary policy.

Bibliography

- Dornbursch, R. Fischer, S. Startz, R. (2008): Chapt. 10.
- Mankiw, G. (2006): Chapt. 10 .

5. Equilibrium in the market for goods and services and in the money market: IS-LM. The aggregate demand curve.

5.1. The equilibrium IS-LM.

5.2. The effectiveness of fiscal and monetary policy.

5.3. The aggregate demand.

Bibliography

- Dornbursch, R. Fischer, S. Startz, R. (2008): Chapt. 11.
- Mankiw, G. (2006): Chapt. 11.

6. Open economy

6.1. Exchange rate systems and capital mobility: the Mundell-Fleming model.

6.2. Other hypotheses about capital mobility.

Bibliography

- Dornbursch, R. Fischer, S. Startz, R. (2008): Chapt. 12.
- Mankiw, G. (2006): Chapt. 12 .

7. Aggregate demand and aggregate supply

7.1. The AD-AS model. Alternative focuses.

7.2. Wages, prices, and unemployment. The Phillips curve.

Bibliography

- **Dornbursch, R. Fischer, S. Startz, R. (2008): Chapt. 5, 6 i 7.**
- **Mankiw, G. (2006): Chapt. 13 .**

Estimated hours devoted to the course**Total hours 150**

Type of activity	Weekly hours	Weeks	Total hours	Comments
Attendance:				The practical activities will increase in weight in the last part of the course
• Theory	3	11	33	
• Theoretical-practical	1	15	15	
• Practice with documents	3	4	12	
Tutorials	3	15	45	
Autonomous learning	3	15	45	

Recommendations

It is recommended to have attended the courses of Introduction to Economics and Microeconomics.

Methodology and general organization of the course

Type of activity	Total hours	Weekly hours	ECTS credits
Attendance	45	3	1.8
Tutorials	15	1	0.6
Guided work	45	3	1.8
Autonomous work	45	3	1.8
Total	150		6

The course develops according to three types of activity, following the type 2 didactic mode of the Faculty of Economics and Business.

First of all, the attendance to the classes, which can be of two types:

a) Theoretical/practical lectures, during which the professor explains the main concepts of each topic and shows the theoretical tools propedeutic to their analysis, including examples on how to apply them to practice. The duration of this activity is of 3 hours per week, consisting of two sessions of one hour and a half each in presence of the whole group.

b) Sessions for the realization of practical exercises. In these sessions numerical

exercises are developed and/or readings related to the class materials are discussed, following the problem sets and/or the texts that the students should solve and/or examine before the class. The duration of this activity is of one hour per week, starting from the second or third week of the course (depending on the calendar). These sessions will occupy most of the time close to the end of the course, once the student has absorbed the whole theoretical toolbox of the course.

Second, the guided work of the student (without attendance to class), which consists of reading the recommended bibliography, as well as the realization of practical exercises and homeworks proposed by the professor during the classes.

Third, the autonomous work of the student, which includes the revision of the class notes, the assimilation of the contents, the reading of complementary material, as well as the preparation of the final exam and of the tests for the continuous evaluation.

The workload of the student in this course is divided into equal parts between these three types of activity, and corresponds to a dedication of around 3 or 4 hours per week to each of them.

Attendance and guided work for the tutoring of attendance groups

Evaluation of the assimilation of the course

Continuous evaluation

The continuous evaluation consists of the realization of assignments and tests along the semester, which account for up to 40 % of the final grade, and of a final examination, which account for at least 60 % of the final grade.

The activities of continuous evaluation that take place during the semester consist of:

- a) The realization of online tests or compulsory assignments, up to 4 in number (5-10 % of the grade).
- b) The realization of two or three midterm exams during lecture sessions, which can consist of multiple-choice questions, numerical exercises, or theoretical and practical reasoning (30-35 % of the grade).

The final exam can consist of a part with multiple-choice questions or short questions, a part with theoretical questions where the student has to explain and/or analyze graphically some concepts, and a part with numerical exercises.

Single evaluation

The single evaluation consists of a final exam, as presented in the previous paragraph, which accounts for 100 % of the final grade.

If the student wants to renounce to the continuous evaluation and to opt for the single evaluation, she has to do so during the first 30 work days of the semester. For this purpose there will be a specific application in the virtual campus.

Sources of basic information of the course

Basic:

Dornbusch, R.; Fischer, S.; Startz, R.: *Macroeconomía*, 9ª edició, Ed. McGraw-Hill, 2009. Mèxic.

Hortalà, J.: *Teoria Econòmica. Macroeconomia*, Ed. Vicens Vives, 2010. Barcelona.

Mankiw, G.: *Macroeconomía*, 6ª edició, Antoni Bosch ed., 2007.

Complementary:

Bajo, O. i Monés, M.A. (2000): *Curso de Macroeconomía*, 2ª ed., Ed. A. Bosch, Barcelona.

Blanchard, O. (2008): *Macroeconomía*. 4ª Edició. Ed. Prentice Hall. Madrid.