Macroeconomics I

Academic Year: (2018 / 2019) **Review date: 24-04-2017**

Department assigned to the subject: Economics Department

Coordinating teacher: EROSA ETCHEBEHERE, ANDRES

Type: Compulsory ECTS Credits : 6.0

Year : 1 Semester : 1

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Intermediate Macroeconomics
Calculus
Real Analysis

OBJECTIVES

-Intrepret and analyze economic data
-Apply economic analysis to understand macroeconomic issues.
-Explain advanced economic ideas.
-Understand basic economic principles of modern macroeconomic analysis.
-Understand the Solow Growth Model and its empirical evaluation.
-Understand the Neoclassical Growth Model.
-Study public policies and their macroeconomic effects.
-Study of a small open economy: current account, savings, and capital flows
-Study the response of a small open economy to temporary and permanent shocks
-Monetary policy and exchange rates

DESCRIPTION OF CONTENTS: PROGRAMME

The objective of this course is to provide students with a solid introduction to modern macroeconomic analysis. The course develops formal models used to study the most important questions in macroeconomic analysis. The presentation of formal macroeconomic models is accompanied with the relevant empirical evidence in order to illustrate how the theories can be applied and tested. The course covers topics in economic growth, fiscal policy, tax versus debt financing, and in international macro (capital flows, current account, exchange rate regimes, monetary policy and exchange rate policy).

Measurement of macroeconomic variables
Economic Growth: Theory and Evidence.
The Neoclassical Growth model.
Endogenous Growth Theory.
Macroeconomics of a Small Open Economy.
Money in a Small Open Economy

LEARNING ACTIVITIES AND METHODOLOGY

Lectures
Recitation classes
Tutorials
Team work
Homework assignments
TEACHING METHODOLOGY
-Lecture by professor with audiovisual equipment that develops the key concepts of the subject and presents the bibliography that complements the class material.
-Reading and discussion of articles recommended by the professor
-Solving practical cases, exercises and problem sets
-Preparation of reports (individual reports and team reports).

ASSESSMENT SYSTEM

Homework Assignments 20%
Midterm Exam 30%
Final Exam 50%

Extraordinary Exam : 100% (for students not passing the course in January there is an exam in June/July)

% end-of-term-examination:	50
% of continuous assessment (assigments, laboratory, practicals…):	50

BASIC BIBLIOGRAPHY

- Carlos Végh Open Economies in Macroeconomics in Developing Countries, MIT Press, 2013
- David Romer Advanced Macroeconomics, McGraw Hill, 2006

BASIC ELECTRONIC RESOURCES

- DE GREGORIO . "Macroeconomía: Teoría y Políticas": http://http://www.degregorio.cl/pdf/Macroeconomia.pdf