

Academic Year: ( 2019 / 2020 )

Review date: 08-05-2020

Department assigned to the subject: Economics Department

Coordinating teacher: FERNÁNDEZ-HUERTAS MORAGA, JESÚS

Type: Compulsory ECTS Credits : 6.0

Year : 1 Semester : 2

## OBJECTIVES

Most decisions that businesses and policy makers take are heavily influenced by the economic environment. The growth of the economy, the distribution of income, fiscal incentives, the openness of specific markets, the regulatory intervention of the government and the financial health of the banking sector, will determine the strategy to be taken by a business firm or a policy maker. This course will prepare students to analyze the macroeconomic environment under which policies are designed. To achieve this, a complete overview of the economic system is given, a system where individual agents relate to each other (consumers and producers) and their interactions in the market give rise to economic aggregates at the macro level (production of goods and services, inflation, exchange rates, distribution of income and economic growth).

### Skills

- Analyze and argue in a rigorous and systematic way about economic issues.
- Clearly state economic problems assessing their scope and advancing viable solutions.
- Use economic systems to analyze policy recommendations.
- Ability to communicate economic analysis in precise and concise manner.

### Attitudes

- Respect for economic facts as a basis for decision making both in private and public policies.
- Interest in other persons' ideas and willingness to express own opinions with grounds on empirical references.
- To improve their confidence through a better understanding of the environment where they live.

## DESCRIPTION OF CONTENTS: PROGRAMME

This course first introduces the Basic Macroeconomic Model and studies the most relevant macroeconomic indicators that measure economic performance. After this, it will discuss the two most important tools used to stabilize an economy: fiscal policy and monetary policy. Next, the program concentrates on open economies, paying special attention to the debate around the advantages and disadvantages of common currency areas. The course closes with an assessment of current debates regarding macroeconomic policies and economic growth. The contents of the course are as follows:

- 1 - The Global Economy and Macroeconomics
- 2 - National Income Accounting, GDP and Financial Accounting
- 3 - Aggregate Demand, Aggregate Supply and the Short Run Equilibrium
- 4 - The Public Sector, Fiscal Policy, and the Public Policy debate
- 5 - Money and Banking
- 6 - Central Banks and Monetary Policy
- 7 - The Open Economy: Balance of Payments, Exchange Rates and Common Currency Areas
- 8 - Economic Growth and the role of international aid agencies

## LEARNING ACTIVITIES AND METHODOLOGY

The teaching methodology is based on two types of sessions:

1. Master classes, where the subject is given with graphical support (slides). To facilitate learning the students have access to audiovisual materials and basic texts of reference to complete and deepen the topics explained in class.
2. Practical classes for smaller groups of students, where they can take a more active part in solving the proposed exercises and discussing current events. In these sessions, student's participation and problem sets are graded. Student participation in class enables them to analyze problems and

communicate solutions, encouraging the exchange of opinions.

#### ASSESSMENT SYSTEM

The continuous evaluation approach evaluates problem sets, quizzes and midterms and it accounts for 60% of the final grade, with the following weight distribution: eight individual problems sets (15%), two midterms (30%), a country report to be done and presented in groups (15%) and in-class participation (5%). The remainder of the grade (35%) is based on a final exam.

For failing students, the extraordinary evaluation will only take into account the result of a specific final exam.

<b>% end-of-term-examination:</b>	35
<b>% of continuous assessment (assignments, laboratory, practicals...):</b>	65

#### BASIC BIBLIOGRAPHY

- Abel, Andrew; Bernanke, Ben; and Croushore, Dean Macroeconomics, Pearson, 2017
- Mankiw G., Macroeconomics, , Worth Publishers, 2016

#### BASIC ELECTRONIC RESOURCES

- CORE Team . The Economy: <http://www.core-econ.org/the-economy/>