Macroeconomics

Academic Year: (2022 / 2023) **Review date: 26-07-2020**

Department assigned to the subject: Economics Department

Coordinating teacher: SEOANE BERNADAZ, HERNAN DANIEL

Type: Compulsory ECTS Credits : 3.0

Year : 1 Semester : 2

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Undergraduate macroeconomics, microeconomics and multivariate calculus

OBJECTIVES

Understand measurement and basic macroeconomic variables
Understand financial relationships between agents in the open economy (government, central bank and private sector with the rest of the world) and get knowledge about the financing of central government
Understand basic modern consumption and investment theories
Understanding basic monetary and fiscal policy concepts
Study recent developments in the open economy

DESCRIPTION OF CONTENTS: PROGRAMME

Measurement and definitions in macroeconomics
Budget constraints: financial relationships between government, central bank, private sector and the rest of the world
Consumption theory: Keynesian theory, Intertemporal Utility Maximization Problems, Permanent consumption hypothesis and application to financial markets
Investment theory: capital demand, user cost of capital, Tobin¿s Q
Fiscal and monetary policy: key concepts as ¿Ricardian Equivalence¿, concepts of money demand. Interaction between fiscal and monetary policy
Open Economy: the current account and the capital account. Small open economy models. Technology shocks, terms of trade shocks, interest rate spread shocks

LEARNING ACTIVITIES AND METHODOLOGY

Theoretical classes to introduce and develop concepts
Problem sets resolution

ASSESSMENT SYSTEM

Class participation
Problem sets
Final exam

% end-of-term-examination:	60
% of continuous assessment (assigments, laboratory, practicals…):	40