

Macroeconomics

Academic Year: (2023 / 2024)

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 (assignments, laboratory, practicals...):	40