

Academic Year: ( 2023 / 2024 )

Review date: 26-05-2023

Department assigned to the subject: Economics Department

Coordinating teacher: FUSTER PEREZ, MARIA LUISA

Type: Electives ECTS Credits : 6.0

Year : Semester :

**REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)**

Mathematics for Economics I and II, Macroeconomics, Dynamic Macroeconomics.

**OBJECTIVES**

- Interpret and analyze economic data
- Apply economic analysis to understand macroeconomic issues.
- Identify the most relevant macroeconomic questions
- Knowledge of the workhorse model in macroeconomics: The Ramsey model of Economic growth
- Knowledge of the most important theories on endogenous growth
- Develop and solve a dynamic macroeconomic model of infinite horizon and continuous time.
- Apply modern macroeconomic theory to analyze also questions on fiscal policy, taxation and public debt.
- Study of a small open economy
- Study the response of a small open economy to temporary and permanent shocks

**DESCRIPTION OF CONTENTS: PROGRAMME**

This course develops the microeconomic foundations of macroeconomic theory and expands students' analytic skills by constructing and solving dynamic macroeconomic models. The main topics that the course are economic growth, economic policy, public debt and international macro. The course provides an advanced training in modern macroeconomic theory.

The stylized facts on Economic Growth.

The Solow model.

The Ramsey Model of Economic Growth: A Macroeconomic dynamic framework in continuous time.

The Planners Problem.

The Competitive Equilibrium.

Government Expenditure in the Ramsey model.

The Effects of Taxation on economic growth.

Public Debt: Ricardian Equivalence Hypothesis.

Endogenous Economic Growth Theories.

International Macro: A basic intertemporal model.

**LEARNING ACTIVITIES AND METHODOLOGY**

Lectures and practical classes. Office hours (2 hours per week )

**ASSESSMENT SYSTEM**

Continuous evaluation: Homeworks and class participation (magistral and practical classes) (10%) , midterm exam (30%)

Minimum grade in final exam necessary to pass the course: 35%

**% end-of-term-examination:** 60

**% of continuous assessment (assignments, laboratory, practicals...):** 40

**BASIC BIBLIOGRAPHY**

- Romer, David Advanced Macroeconomics, McGraw-Hill, 2019
- Végh, Carlos Open Economies in Developing Countries , MIT Press , 2013

