

Program of Macroeconomics I, 2019-2020

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Program

There are 14 weeks of classes with up to two sessions of 1.5 hours each week.

Book (required): Macroeconomics, 8th edition, by N. Gregory Mankiw. (You may substitute for a different edition of Mankiw's Macroeconomics book, but some chapters are reordered.)

1. **Classical theory (long-run)**
 - a. National Income (Mankiw, chapter 3) *2 weeks*
 - b. Money and inflation (Mankiw, chapters 4 and 5) *1 week*
 - c. Unemployment (Mankiw, chapter 7). *1 week*
2. **Economic growth** (Mankiw, chapters 8 y 9) *2 and ½ weeks*
3. **Business cycles**
 - a. The ISLM-model in a closed economy (Mankiw, chapters 10, 11 and 12). *2 weeks*
 - b. Aggregate supply (Mankiw, chapter 14) *1 week*
4. **Open Economy**
 - a. Long run (Mankiw, chapter 6)
 - b. Short-run (Mankiw, chapter 13)
5. **Stabilization policy** (Mankiw, chapter 18). *1 week*

Evaluation

The final grade will be suspended if the grade obtained in the final exam is below 3.5. The final grade will be the average of a final exam (60%), one midterm (30%) and quizzes (10%).

SUBJECT: MACROECONOMICS		
LECTURER: CLASS TEACHER:	COURSE: 1	FALL SEMESTER 2017

TIMELINE							
WEEK	CLASS AND DAY	DESCRIPTION OF THE CONTENT OF THE CLASS	GROUP		TASKS OF THE STUDENTS		
			L A R G E	S M A L L	DESCRIPTION	CLASS HOURS	STUDY HOURS
1	1	The economy in the long run: the real economy 1. Long-run determinants of production; factors of production 2. Factor pricing and marginal productivity 3. Factor shares of income. Chapter 3 of Mankiw	X		Readings and/or Assignments	1.5	7
2	2	Homework 1		X	Readings and/or Assignments	1.5	7
2	3	The economy in the long run: the real economy 1. Determinants of aggregate demand 2. Equilibrium in the goods market, in the long run. 3. The market for loanable funds. 4. The relevant interest rate Chapter 3 of Mankiw	X		Readings and/or Assignments	1,5	
3	4	Homework 2		X	Readings and/or Assignments	1,5	7
3	5	The economy in the long run: money 1. The money multiplier 2. The Quantity Theory of Money 3. The demand for money in the long run.	X		Readings and/or Assignments	1,5	

		4. Real and Nominal interest rates: Fisher equation. Chapters 4 and 5 of Mankiw						
4	6	Homework 3		X		Readings and/or Assignments	1,5	7
4	7	Unemployment Chapter 7 of Mankiw	X			Readings and/or Assignments	1,5	
5	8	Homework 4		X		Readings and/or Assignments	1,5	7
5	9	The economy in the long run: the sources of economic growth 1. The basic Solow model; capital accumulation 2. Productivity Chapter 8 of Mankiw	x			Readings and/or Assignments	1,5	
6	10	Homework 5		X		Readings and/or assignments	1,5	7
6	11	The economy in the long run: the sources of economic growth 1. Golden rule 2. Saving and fiscal policy 3. International comparisons Chapter 8 and 9 of Mankiw	X			Readings and/or assignments	1,5	
7	12	Homework 6		X		Readings and/or assignments	1,5	7

11	20	The open economy in the long run 1. The small open economy model 2. Determinants of net exports 3. Exchange rates and purchasing power parity Chapter 6 of Mankiw	x			Readings and/or assignments	1,5	
12	21	Homework 10		x		Readings and/or assignments	1,5	
12	22	The open economy in the short run: Effects of fiscal and monetary policy depending on exchange rate regime. Chapter 13 of Mankiw	x			Readings and/or assignments	1,5	7
13	23	Homework 11		x		Readings and/or assignments	1,5	
13	24	Stabilization policy Chapter 18 of Mankiw	X			Readings and/or assignments	1,5	7
14	25	Revision long run		X		Readings and/or assignments	1,5	
14	26	Revision short run	X					7
15-18		Exam preparation and Exam					3	10
Total							42	108