

Program of Macroeconomics I, 2023-2024

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, chapter 7) *2 weeks*
 - b. Money and inflation (Mankiw, chapter 5) *1 week*
 - c. Open Economy (Mankiw, chapter 6). *1 week*
2. **Economic growth** (Mankiw, chapters 8 y 9) *2 weeks*
 - a. Sources of growth (Mankiw, chapter 8)
 - b. Golden rule (Mankiw, chapter 9)
3. **Business cycles (short-run)**
 - a. The ISLM-model in a closed economy (Mankiw, chapters 10, 11 and 12). *2 weeks*
 - b. Aggregate supply (Mankiw, chapter 14) *1 week*
 - c. Short run dynamics (Mankiw, chapter 15) *2 weeks*

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%).

Scheduling Note: The midterm exam will take place on your practical class on the 8th week of the course (October 23 to 27).

The timing of the material covered in lectures is approximate (depending on the group, the practical class may be on an earlier day of the week than the theory class)

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

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 2	Overview of the Course 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	X	Readings and/or Assignments	1.5	7
2	3	Homework 1 (Classical Ec. I)		X	Readings and/or Assignments	1.5	7
2	4	The economy in the long run: the real economy 1. Determinants of aggregate demand 2. Equilibrium in the goods market 3. The market for loanable funds. 4. The real interest rate Chapter 3 of Mankiw	X		Readings and/or Assignments	1,5	
3	5	Homework 2 (Classical Ec. II)		X	Readings and/or Assignments	1,5	7
3	6	Economic Growth: 1. The Solow Model: Capital accumulation 2. Theory and evidence Chapter 8 and 9 of Mankiw	X		Readings and/or Assignments	1,5	

		equation.					
		Chapter 5 of Mankiw					
4	7	Homework 3 (Solow I)		X		Readings and/or Assignments	1,5
4	8	The economy in the long run: 1. Golden rule 2. Technological progress Chapter 8 and 9 of Mankiw	X			Readings and/or Assignments	1,5
5	9	Homework 4 (Solow II)		X		Readings and/or Assignments	1,5
5	10	The economy in the long run: money 1. The demand for money in the long run. 2. Real and Nominal interest rates: Fisher effect 3. The Quantity Theory of Money Chapter 5 of Mankiw	x			Readings and/or Assignments	1,5
6	11	Homework 5 (Money, possible Online class because of national holiday)		X		Readings and/or assignments	1,5
6	12	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
7	13	Homework 6 (Open Ec. long run)		X		Readings and/or assignments	1,5
7	14	Review of concepts to prepare midterm exam	X			Readings and/or assignments	1,5

8	15	Midterm exam		X	Readings and/or assignments	1,5	7
8	16	Business Cycles in a closed economy: 1. Cyclical component of GDP, Okun's law 2. Demand and Supply of Goods 3. Demand and Supply of Money. 4. The IS curve; the LM curve Chapter 10.1, and 11 of Mankiw	X		Readings and/or assignments	1,5	
9	17	Revision Midterm exam		X	Readings and/or assignments	1.5	7
9	18	Business Cycles in a closed economy. 1. Fiscal policy in the short run 2. Monetary policy in the short run 3. From the short to the long run Chapter 12 of Mankiw	X			1.5	7
10	19	Homework 7 (IS-LM)		X		1.5	
10	20	Aggregate supply in the short-run (SRAS). 1. Sticky prices 2. Philips curve 3. Expectations Chapter 14 of Mankiw	X		Readings and/or assignments	1,5	7
11	21	Homework 8 (Monetary and Fiscal policy in IS-LM)		X	Readings and/or assignments	1,5	

11	22	Short Run Dynamics: 1. The Taylor Rule 2. Dynamic IS-LM model Chapter 15 of Mankiw	X			Readings and/or assignments	1,5	7
12	23	Homework 9(SRAS)		X				
12	24	Inflation and output dynamics: 1. Shocks 2. Impulse responses Chapter 15	X			Readings and/or assignments	1,5	
13	25	Homework 10 (Dynamic IS-LM model)		X			1.5	
13	26	Inflation and output dynamics (1/2) class Review Final Exam	X			Readings and/or assignments	1 .5	
14	27	Homework 11 (Dynamic IS-LM model)		X			1.5	
14	28	Review Final exam	X				1.5	
Final exam on January 2024.							42	108