



22017 - INTERMEDIATE MACROECONOMICS (2018-19)

General

Code: 22017

Lecturer responsible:

MASO PAREJA, FRANCISCO ALFREDO

Credits ECTS:	6
Theoretical credits:	1,5
Practical credits:	0,9
Distance-base hours:	3,6

Departments involved

- **Dept:** FOUNDATIONS OF ECONOMIC ANALYSIS
Area: FOUNDATIONS OF ECONOMIC ANALYSIS
Theoretical credits: 1,5
Practical credits: 0,9
 This Dept. is responsible for the course.
 This Dept. is responsible for the final mark record.

Study programmes where this course is taught

- DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT
 Course type: COMPULSORY (Year: 2)
- DOUBLE DEGREE IN TOURISM AND BUSINESS ADMINISTRATION AND MANAGEMENT
 Course type: COMPULSORY (Year: 3)
- DOUBLE DEGREE IN COMPUTER ENGINEERING AND BUSINESS ADMINISTRATION
 Course type: COMPULSORY (Year: 3)
- DOUBLE DEGREE IN LAW + ADE (DADE)
 Course type: COMPULSORY (Year: 2)

Competencies and objectives

Course context for academic year 2018-19

This subject is the second one in the degree of Business Administration and Management in the sequence of Macroeconomics, being the continuation of Introduction to Macroeconomics studied during the second semester of the first year.

It belongs to the category of Economic Analysis.

The aim is to provide the student with the basic knowledge, theoretical and empirical, to understand and analyse the main economic problems of an economy at the aggregate level in the long run (economic growth) and in the short run (economic fluctuations) by means of the use of simple models. It begins with the study of the main determinants of income levels and the analysis of the international discrepancies in the levels of per capita income and productive capacity in the long run. Then it tackles the problem of fluctuations of the main macroeconomic variables around their respective long run values. In this context it studies the dynamics of inflation, interest rates and unemployment rates, explaining the economic policy means that can be used to stabilize the economy.

Course content (verified by ANECA in official undergraduate and Master's degrees)

General Competences (CG)

- **CG3** : Capacity for self-learning.
- **CG8** : Analyse problems using critical reasoning, without prejudices, precisely and rigorously.
- **CG9** : Capacity to synthesise.

General Competences acquired at University of Alicante (CGUA)

- **CGUA3** : Capacity for oral and written communication.

Specific Competences (CE)

- **CE4** : Issue consultancy reports on specific business and market situations.
- **CE6** : Understand economic institutions as the result and application of theoretical or formal representations of how the economy works.

Exclusive skill taught in this course

No data

Learning outcomes (Training objectives)

No data

Specific objectives stated by the academic staff for academic year 2018-19

- To understand the main determinants of international differences in per capita incomes and growth rates in the long run.
- To understand the main determinants of economic fluctuations in the short run and the adjustment processes of macroeconomic variables towards their long run equilibrium levels.
- To be able to explain the facts that originated the recent international financial crisis and the Great Recession at the global level using the short run model.

Content and bibliography

Content for academic year 2018-19

INTRODUCTION

Lesson 0. Preliminaries: things we should know and the structure of the course.

Jones (2014), chapters 1-2.

FIRST PART: THE LONG RUN

Lesson 1. An overview of Long-Run Economic Growth

- a. Growth over the very long-run.
- b. Modern economic growth.
- c. Modern growth around the world.

Jones (2014), chapter 3.

Lesson 2. A model of production

- a. Setting up the model.
- b. Analyzing the production model.
- c. Understanding the TFP differences (Total Factor Productivity). Human capital, technology and institutions.

Jones (2014), chapter 4.

Lesson 3. The Solow growth model

- a. Setting up the model.
- b. Analyzing the model and using the Solow diagram.
- c. The data and the model. The power of the Solow model.

Jones (2014), chapter 5.

Lesson 4. Growth and ideas

- a. The economics of ideas and increasing returns.
- b. The simplified Romer model
- c. Combining Solow and Romer: an overview
- d. Growth accounting.

Jones (2014), chapter 6.

SECOND PART: THE SHORT RUN

Lesson 5. An introduction to the short run

- a. The long run, the short run and the shocks.
- b. The short run model.
- c. Okun's law: output and unemployment.

Jones (2014), chapter 9.

Lesson 6. The great recession: A first look

- a. Recent shocks to the macro-economy. Housing prices, the global saving glut, subprime lending and the rise in interest rates, the financial turmoil of 2007, oil prices.
- b. Macroeconomic outcomes.
- c. Some fundamentals of financial economics.

Jones (2014), chapter 10.

Lesson 7. The IS curve

- a. Setting up the economy
- b. Deriving the IS curve.
- c. Using the IS curve.
- d. Microfoundations of the IS curve.

Jones (2014), chapter 11.

Lesson 8. Monetary policy and the Phillips curve

- a. The MP curve: monetary policy and interest rates.
- b. The Phillips curve.
- c. Using the short run model.
- d. Microfoundations: understanding sticky inflation.
- e. Microfoundations: how Central Banks control nominal interest rates.

Jones (2014), chapter 12.

Lesson 9. Stabilization policy and the AS/AD

- a. Monetary policy rules and aggregate demand. The DA curve.
- b. The aggregate supply curve.
- c. The AS/AD model
- d. Macroeconomic events in the AS/AD model.
- e. Modern monetary policy. Rules versus discretion.

Jones (2014), chapter 13.

THIRD PART: APPLICATIONS**Lesson 10.** The great recession and the short run model

- a. Financial considerations in the short run model.
- b. Policy responses to the financial crisis
- c. Conclusions.

Jones (2014), chapter 14.

Lesson 11. Exchange rates and international finance

- a. Exchange rates in the long run and in the short run.
- b. Exchange rates and the short run model
- c. The euro crisis. d. Conclusions.

Jones (2014), chapter 20.

Assessment

Assessment procedures and criteria 2018-19

CONVOCATORIA C3 (JUNE)

MODALITY 1:

- CONTINUOUS EVALUATION (60%) = Control 1 (20%) + Control 2 (35%) + Practice (5%)

- FINAL EXAM (40%)

MODALITY 2 (OPTIONAL)

- CONTINUOUS EVALUATION (100%) = Control 1 (34%) + Control 2 (58%) + Practice (8%)

Only for students with a weighted average grade of 7 or more (over 10) in the evaluation of all controls and practice during the semester, conditioned on attaining a minimum grade of 5 (over 10) in each of the evaluation activities of the semester.

Description of evaluation activities:

- Control: written partial exam, theory and practice questions, multiple choice questions (50%)+ problems (50%)
- Practice: handing in at least 80% of the problem sets on a weekly basis; discussion and oral presentation of at least one exercise during the semester; good attitude in the classroom. Having and using cell phones are punishable (Art.14 Reglamento para la evaluación de aprendizajes, BOUA-9 diciembre 2015).
- Final Exam: written global exam, theory and practice questions, multiple choice questions (50%)+ problems (50%).

CONVOCATORIA C4 (JULY)

- EXTRAORDINARY EXAM (100%): written exam, theory and practice questions, multiple choice questions (50%)+ problems (50%), lessons from 0 to 11. All activities scheduled over the semester are recoverable through this type of exam.

Description	Criteria	Type	Weighting system
CONTROL 1	Written exam, Lessons 0 to 4	ACTIVITIES OF EVALUATION DURING THE SEMESTER	20
CONTROL 2	Written exam, Lessons 5 to 11	ACTIVITIES OF EVALUATION DURING THE SEMESTER	25
Practice	Handing in problem sets on a weekly basis, discussion and oral presentation of selected exercises	ACTIVITIES OF EVALUATION DURING THE SEMESTER	5
FINAL EXAM	Written global exam, Lessons 0 to 11 in the oficial time schedule of the Grade	FINAL TEST	50

Official exam dates for academic year 2018-19

Exam session	Date	Time	Group - Classroom(s) allocated	Comments
(C1) Pruebas extraordinarias de finalización de estudios	11/10/2018			
(C3) Periodo ordinario para asignaturas de segundo semestre y anuales	03/06/2019			
(C4) Pruebas extraordinarias para asignaturas de grado y máster	09/07/2019			

