

**COURSE DATA****Data Subject**

<b>Code</b>	35880
<b>Name</b>	Macroeconomics
<b>Cycle</b>	Grade
<b>ECTS Credits</b>	6.0
<b>Academic year</b>	2023 - 2024

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. year</b>	<b>Period</b>
1314 - Degree in International Business	Faculty of Economics	2	First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
1314 - Degree in International Business	4 - Macroeconomics	Obligatory

**Coordination**

<b>Name</b>	<b>Department</b>
ESCRICHE BERTOLIN, MARIA LUISA	10 - Economic Analysis

**SUMMARY**

Macroeconomics is a compulsory subject in the Degree of International Business (GIB). This course has a workload of 6 ECTS credits: 3 theoretical and 3 practical credits. The course Macroeconomics is taught in the first half of the second year of the Bachelor of GIB.

This course will equip students with the basic tools to understand the conventional macroeconomic models and know the major macroeconomic problems of today's economies. Registering students have already acquired basic knowledge of economics from Introduction to Economics and Microeconomics taught in the first and second semester of the first year of the degree.

Macroeconomics examines the aggregate behavior of an economy and addresses some of the key issues in the economic life of a country: what causes growth?; why some countries are richer than others?; what factors are at the origin of recessions and booms?; why there is unemployment and what determines its magnitude?; is inflation what determines the evolution of interest rates or exchange rates?; how public policies affect the level of production, employment, competitiveness and growth?; how national economies are related to the stage of international markets in the world today?



These issues affect the lives of people and the environment for businesses and, therefore, are of great interest to citizens, governments, businesses and professionals in the economy. Explaining macroeconomic problems is the primary object of attention of macroeconomists who have devoted significant efforts from the classical economists to present time. They analyze and propose theories, models and empirical evidence with which to interpret the functioning of the economies. Macroeconomics is considered a common field in which businesses, consumers and investors make decisions, allocate resources and where multiple markets are interrelated, and public institutions regulate and intervene in economic life with the perspective of the general interest.

Macroeconomics includes two main tools to understand the economic world around us: theoretical models and macroeconomic data. Economic models provide a simplified description of some aspect of the economy, often expressed in mathematical language. The models are based on ideas about the behavior and economic relations that we call economic theory. The data provide information on the values and the evolution of the variables considered in the models and they are available at the system of National Accounts.

## PREVIOUS KNOWLEDGE

### Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

### Other requirements

Previous requirements to successfully face this course are minimal: a level of basic math (solving equations with one / two basic unknowns and partial derivatives) and a minimal familiarity with graphical analysis and on how to access to information in web pages.

On the other hand, it is strongly recommended that the student has previously completed Introduction to Economics in the first half of the first year in order to have some background on the usual methods in economics, the concepts used etc.

## OUTCOMES

### 1314 - Degree in International Business

- Develop the capacity to evaluate and critically analyse international economic phenomena and agents.
- Develop intercultural sensitivity and the ability to adapt to other geopolitical contexts.
- Be able to work in multidisciplinary and intercultural teams.
- Understand and reflect on socio-economic and political contexts that affect business and economic decision-making in an international environment.



- Understand the basic concepts of economic analysis that are applicable to the operation of companies and institutions in the international context.
- Understand the behaviour of economic agents and their interaction in global markets.
- Use the economic and financial information of the company to make decisions.
- Know how international financial markets work.
- Develop the capacity to prepare and defend reports that contribute to the decision-making of public and private agents.
- Aprender a detectar las desigualdades entre personas para diseñar, implementar y evaluar las políticas pertinentes que faciliten la eliminación de dicha discriminación en empresas e instituciones.
- Tener una visión general de los contenidos de la teoría económica, de forma que se perciba el impacto de los elementos macroeconómicos en la toma de decisiones de los agentes económicos, en particular de la toma de decisiones empresariales y en la elaboración de las políticas económicas y, en general, conocer cómo funciona la economía moderna.
- Saber analizar los componentes de la oferta y demanda agregada, el mercado financiero, el mercado de trabajo y el sector público.
- Poseer los conocimientos macroeconómicos suficientes para analizar e interpretar la realidad nacional e internacional desde una perspectiva económica.
- Evaluar críticamente la magnitud e importancia de los distintos problemas económicos así como las ventajas e inconvenientes derivados de las posibles políticas diseñadas para solucionarlos, y su impacto sobre la sociedad.

## LEARNING OUTCOMES

- To have an adequate knowledge for analyzing and interpreting reality
- Ability to gather literature, structuring and interpreting knowledge from theoretical models.
- Arguing rigorously economic statements and policy proposals, both in written and oral forms
- Be able to integrate real economic problems of markets and organizations in conceptual and abstract levels of macro models
- Critically evaluate the magnitude and importance of the different economic problems and evaluates the advantages and disadvantages of policy.
- Set targets that are achievable, specific and measurable
- Effective team work together in an effective manner
- To understand and discuss current issues, both individually and as part of a group
- Use analytical reasoning to raise and solve economic problems

## DESCRIPTION OF CONTENTS



## **1. Introduction**

- 1.1 Macroeconomic problems
- 1.2 An outline of the economy of the world and its regions
- 1.3 Short, medium and long term.

References: Blanchard et al. (2017, 2021) chs. 1&2

## **2. The good and services market**

- 2.1 GDP composition
- 2.2 Demand for goods
- 2.3 Equilibrium in production
- 2.4 Economic policy and activity level

References: Blanchard et al. (2017, 2021) ch. 3.

## **3. Financial markets and the ISLM model**

- 3.1 The demand for money.
- 3.2 Interest rate determination
- 3.3 The IS and LM model.

References: Blanchard et al. (2017,2021) ch. 4-6

## **4. The IS and LM model in an open economy**

- 4.1 Goods market in an open economy
- 4.2 Financial markets in an open economy
- 4.3 IS and LM in an open economy
- 4.4 Goods and asset markets
- 4.5 Output, interest rates and exchange rates

References: Blanchard et al. (2017) ch. 17-19  
Blanchard et al.(2021) ch. 18-20

## **5. Labor market**

- 5.1 Basic variables
- 5.2 Wage determinants
- 5.3 Price determinants
- 5.4 The natural rate of unemployment

References: Blanchard et al. (2017, 2021) ch. 7

**6. Inflation and unemployment**

- 6.1 Expected inflation and unemployment
- 6.2 Phillips curve and natural rate of unemployment
- 6.3 Inflation, money growth and disinflation
- 6.4 Inflation and unemployment in Europe and Spain

References Blanchard et al. (2017, 2021), ch 8

**7. From the short to the medium run**

- 7.1 IS/LM/PC model
- 7.2 Dynamics of short and medium run equilibria
- 7.3 Monetary and fiscal policy effects
- 7.4 Other shocks

References: Blanchard et al. (2017, 2021), ch.9

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Attendance at events and external activities	4,00	0
Development of group work	12,00	0
Study and independent work	35,00	0
Readings supplementary material	6,00	0
Preparation of evaluation activities	6,00	0
Preparing lectures	12,00	0
Preparation of practical classes and problem	15,00	0
<b>TOTAL</b>	<b>150,00</b>	

**TEACHING METHODOLOGY**

The appropriate methodology for macro, in both main lectures and discussion sections, is the combination of individual and collective work. More precisely, the methodology used can be described as follows:

For the main lectures the students will read in advance the assigned readings. These readings will give support to the theoretical explanation as well as to the main issues raised in each topic. The teacher will combine the lectures with the active participation of students. Students should develop both their capacity to learn (work prior to class), and their ability to work in group. They should learn to discuss ideas in writing and orally.





In addition to reinforcing theoretical concepts these discussion sections aim at developing links with the real world. To reach these goals, students are assigned two types of tasks.

Before class, students should prepare questions from the back of each chapter of the textbook as assigned by the teacher. These take home assignments should be handed in at the beginning of the class.

1. Work in the classroom. Each individual student must pass these tasks as requested by the teacher.
2. Some assignments will be done in group, like information and data search or data mining. Students should improve their abilities in terms of expressing themselves in written or oral form.

In addition to physical presence, these discussion sections will require an active participation from students. They will not only be required to hand in the assigned take home work but also respond to any questions asked by the professor. All material will be available at the website.

## EVALUATION

The evaluation of the subject is based on a set of continuous assessment of activities and a final test (a written test at the end of the semester). The total grade is broken down as follows: 40% of the overall mark is for the continuous assessment tasks, and 60% of the overall mark comes from the final test. On a 10 point basis, 4 or less come from the continuous assessment and 6 or less from the final.

The final score will be the sum of the scores of the continuous assessment and the final test (graded for a maximum score of 6). To pass the exam you need **3 points**. In case that this requirement is not fulfilled the grade will be not pass (suspenso) and the final score will be the result of adding up both marks but with an upper limit of 4,5.

In the second and subsequent calls, if a student has obtained a low/no score in the continuous assessment, and considering that 50% of it is not recoverable (class attendance, participation, attitude, willingness to assume tasks and responsibilities, meeting deadlines...), the student has two options:

- (i) renounce the continuous assessment grade obtained (indicating it in the final exam) and the final exam will be graded over a maximum of 8 points (being necessary to obtain 5 points to pass the subject); or.
- (ii) keep the score obtained in the continuous assessment and the final exam will be graded over 6 points.

### RULES FOR THE CONTINUOUS EVALUATION OF STUDENTS WHO CANNOT ATTEND THE PRACTICAL CLASSES OF MACRO 35880 FOR JUSTIFIED REASONS

Following the recommendations of the CAT of the International Business Degree, to take into account that some students cannot attend classes regularly because they are studying abroad or due to other justifiable work or personal circumstances, the professors responsible for the course have agreed to follow in these cases the following evaluation criteria for the practical part which, according to the teaching guide, dedicates up to 4 points to a face-to-face evaluation (and in these cases will reach a maximum of 3 points):



1. Students must communicate to the professor the circumstance for which they request to avail themselves of this special procedure before the next December 15. The justification will be made in writing, sending an e-mail to the professor, to be recorded in the student's record of the course. The professors will acknowledge receipt of the request and will respond to the student before December 20.
2. Given that in the practical classes the students intervene in public, either to solve an exercise or task or to participate in a debate on the proposed topics, the student who uses this special procedure must complement his/her final exam with a written/oral test in which he/she will demonstrate these competencies. The test will be held on the same day of the exam, at the end of the time allotted to students who do not opt for this special procedure.
3. The maximum grade for the subject Macro 35880 that can be obtained through this special system will be 9 points: 6 points will be obtained in case of achieving the maximum grade in the final exam taken by all the students of the subject and 3 points can be obtained from the complementary test taken as explained in the previous point.

Link to the Evaluation Regulations of the Universitat:

[https://www.uv.es/graus/normatives/2017\\_108\\_Reglament\\_avaluacio\\_qualificacio.pdf](https://www.uv.es/graus/normatives/2017_108_Reglament_avaluacio_qualificacio.pdf).

## REFERENCES

### Basic

- Blanchard, O. (2017). Macroeconomía. Ed. Pearson. 7ª edición.

Blanchard, O, Amighini, A. and Giavazzi, F. (2021). Macroeconomics: A European Perspective. Ed. Pearson. 4th edition

### Additional

- Jordi Palafox. Cuatro vientos en contra. El porvenir económico de España. Ed. Pasado y Presente. Barcelona 2017

Baldwin R. La gran convergencia, Ed. A. Bosch, Barcelona 2017

Baldwin R. The great convergence: Information Technology and the New Globalization, Harvard University Press, 2017