

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

Code	36784
Name	Introduction economics II
Cycle	Grade
ECTS Credits	6.0
Academic year	2023 - 2024

Study (s)

Degree	Center	Acad. Period year
1933 - Double Degree in Law and Economics_2022	Faculty of Law	1 Second term

Subject-matter

Degree	Subject-matter	Character
1933 - Double Degree in Law and Economics_2022	1 - Asignaturas de primer curso	Obligatory

Coordination

Name	Department
BOSCA MARES, JOSE EMILIO	10 - Economic Analysis

SUMMARY

This subject has a basic training character, and is part of the subject Economics which, in addition to Introduction to Economics (II) taught in the second semester of the first year, includes the subject Introduction to Economics (I) taught in the first semester. The course load of this subject is 6 ECTS credits.

The subject Introduction to Economics (II) is directly related to the subjects of the subject Macroeconomics: Macroeconomics I (Compulsory, 6 ECTS) 2nd year, 1st semester; Macroeconomics II (Compulsory, 6 ECTS) 2nd year, 2nd semester; Dynamic Macroeconomics (Compulsory, 6 ECTS) 3rd year, 1st semester; International Macroeconomics (Optional, 6 ECTS) 4th year; Monetary and Banking Economics (Optional, 6 ECTS) 4th year. It is also closely related to the subjects of Microeconomics.



This subject aims to introduce the student to the principles of economic analysis, providing an introduction to the macroeconomic knowledge necessary to analyse and interpret the national and international reality from an economic perspective. This subject will allow the student to understand the set of interactions that take place between the different agents of an economic system, to analyse current and relevant issues, and to understand the effects of public intervention in the economic reality.

The basic contents of this subject are: basic macroeconomic concepts; aggregate supply: production and growth; aggregate demand: consumption, investment, public spending and net exports; the monetary system.

The general objective of this subject is for the student to know the keys to the functioning of the market economy and to understand the functioning of the economy at an aggregate level and the effect that different economic policies have on it.

The student will be introduced to the knowledge and understanding of the determinants of long-term growth of an economy, as well as the effects of stabilisation policies.

The aim is to familiarise students with the economists' 'way of thinking' about reality, using the terminology and methodology of economic analysis.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

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

Other requirements

Se asumen los conocimientos previos que corresponden a primero y segundo de bachillerato en la rama de humanidades y ciencias sociales. En concreto, para afrontar con éxito esta asignatura, es conveniente que el estudiante cuente con un nivel de matemáticas básico (resolver ecuaciones con una/dos incógnitas y derivadas parciales básicas) así como una mínima familiarización con el análisis gráfico y con la consulta de información en la red.

COMPETENCES (RD 1393/2007) // LEARNING OUTCOMES (RD 822/2021)

LEARNING OUTCOMES (RD 1393/2007) // NO CONTENT (RD 822/2021)

The expected learning outcomes of the subject Introduction to Economics (II) are the following:

- To possess the initial macroeconomic knowledge to analyse and interpret the national and international reality from an economic perspective.
- Use analytical reasoning to pose economic problems and solve them.



- Critically evaluate the magnitude and importance of the different economic problems as well as the advantages and disadvantages derived from the possible policies designed to solve them, and their impact on society.
- Be able to collect bibliography, structure it and interpret it on the basis of theoretical knowledge.
- Understand and analyse current and relevant issues, both individually and as part of a group.

DESCRIPTION OF CONTENTS

1. Introduction

- 1.1 What do we study in Macroeconomics? Brief historical introduction.
- 1.2 The basic macro magnitudes. Prices and quantities.
- 1.3 Macroeconomics as general equilibrium. The circular flow of income.
- 1.4 The macroeconomic model: agents and markets.

2.

- 2.1 Output, income and expenditure. Nominal GDP and real GDP.
- 2.2 Measuring prices: CPI and GDP deflator. Inflation.
- 2.3 Measuring unemployment: activity, employment and unemployment.

3.

- 3.1 The behaviour of output over time.
- 3.2 Long-run aggregate supply and the aggregate production function.
- 3.3 Factor markets in equilibrium: capital and labour.
- 3.4 Productivity and potential output growth.
- 3.5 Income distribution and the Cobb-Douglas production function.
- 3.6 Growth accounting.

4. Income and expenditure.

- 4.1 National income. Uses of income: taxes, consumption and savings.
- 4.2 Aggregate demand in a closed economy.
- 4.3 Long-run aggregate supply-demand equilibrium: the loanable funds market.
- 4.4 Fiscal policy and the real interest rate.



5. The

- 5.1 Aggregate demand: net exports.
- 5.2 The financial market: capital flows.
- 5.3 Long-term aggregate supply-demand equilibrium: the loanable funds market.
- 5.4 Fiscal policy and the real exchange rate.

6.

- 6.1 Money, banks and the money supply.
- 6.2 Monetary equilibrium: the supply and demand for money.
- 6.3 The classical dichotomy and monetary neutrality.
- 6.4 The velocity of money and the quantity equation.
- 6.5 Real and nominal interest rates.
- 6.6 Hyperinflation.

7.

- 7.1 From the long run to the short run: business cycles, unemployment, recessions.
- 7.2 The position and slope of the aggregate demand curve.
- 7.3 The slope of the aggregate supply curve.
- 7.4 Macroeconomic equilibrium.
- 7.5 Demand and supply cycles.

8.

- 8.1 The supply curve and the Phillips curve in the short and long run.
- 8.2 The theory of liquidity preference and monetary policy.
- 8.3 Monetary and fiscal stabilisation policies.
- 8.4 Supply and demand shocks and the Phillips curve.



WORKLOAD

ACTIVITY	Hours	% To be attended
Theoretical and practical classes	60,00	100
Development of group work	5,00	0
Study and independent work	55,00	0
Preparing lectures	15,00	0
Preparation of practical classes and problem	15,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

The methodology for teaching the subject Introduction to Economics (II), both in theory and practical classes, will be oriented towards combining the capacity for individual work with teamwork. More precisely, the methodology to be used can be described as follows:

- For the theoretical classes, students will prepare in advance the basic readings that serve as a basis for the theoretical explanation, as well as the main doubts that arise in these readings. The lecturer will combine his explanations with the active participation of the students (raising of doubts that can be answered by the lecturer and/or their classmates, resolution of short questions posed by the lecturer, group discussion of the aspects that have aroused most interest). The aim is for students to develop their capacity for autonomous work (with work prior to the class), as well as their ability to work in a team, argue and defend ideas (group debates) and their oral and written communication skills (raising their doubts about the subject in public and/or resolving the questions posed in writing).
- For the practical classes, students will previously prepare a set of exercises and case studies to be worked on in the classroom. On the one hand, each student, individually or in groups, will have to prepare these tasks and, on the other hand, students will be asked (either individually or in groups) to solve and present some of these tasks in the classroom for the rest of their classmates. Part of the tasks to be carried out will be based on the search for information on the websites of recognised institutions and in the press. The aim is for students to develop their ability to organise group work, problem solving, oral and written communication, coordination of activities and search for information in reliable sources.

The tasks set, both individually and jointly, may give rise to "deliverables" which will be assessed by the teacher.

EVALUATION

The course Introduction to Economics (II) will be assessed on the basis of the consideration, in this order of relevance, of the following aspects:



- Written exam at the end of the course consisting of theoretical and practical questions.
- Assessment of the practical activities carried out by the student during the course, based on the preparation of assignments, oral presentations and problem solving.
- Evaluation of the student's participation and involvement in the teaching-learning process.

In the subject Introduction to Economics (II) the total assessment is broken down as follows: 30% of the overall mark corresponds to the continuous assessment based on the different activities carried out throughout the course and the student's active participation, and 70% of the overall mark corresponds to the final synthesis test. The continuous assessment activities are not recoverable.

The final synthesis test is compulsory and passing it (obtaining 3.5 out of 7 points in the final synthesis test) is an essential condition for passing the subject. The subject will be considered passed if the student obtains 5 points out of 10, for which he/she can combine continuous assessment and the final synthesis test. If the student chooses not to do the continuous assessment tasks, he/she will only be able to obtain the points of the final test (7 maximum), and would need to obtain a 5 out of 7 in this exam in order to pass the course.

In case of failing the final exam, the final grade will be obtained from the score obtained in the continuous assessment and the final synthesis test, without exceeding 4.5.

REFERENCES

Basic

- N. Gregory Mankiw y Mark P. Taylor (2017): *Economía*, 3ª edición. Editorial Paraninfo

Additional

- *Macroeconomía*, Mankiw, N.G, 2020, 10ª edición, Ed. Antoni Bosch.
- *Principios de Economía*, Bernanke y Frank, 2007, 3ª edición. Ed. McGraw Hill
- *Macroeconomía*, O. Blanchard, A. Amighini y F. Giavazzi, 2012, 5ª edición, Ed. Pearson
- *Economía: Teoría y Práctica*, Blanco, J.M., 2014, 6ª edición, McGraw Hill
- *Principios de Economía*, Mankiw, 2018, 7ª edición. Ed. Cengage Learning
- <https://core-econ.org/the-economy/book/text/0-3-contents.html>