

COURSE GUIDE

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Macroeconomics 1

Grado (Bachelor's Degree)	Bachelor's Degree in Economics	Branch	Social and Legal Sciences
Module	Formación Básica	Subject	Economía
Year of study	2º	Semester	1º
ECTS Credits	6	Course type	Core course

PREREQUISITES AND RECOMMENDATIONS

It is highly recommendable to have some background of the following subjects of the basic training module:

- Mathematics
- Mathematics for Economics
- Political Economy
- Microeconomics I

BRIEF DESCRIPTION OF COURSE CONTENT (According to the programme's verification report)

- IS-LM model.
- Fiscal and monetary policies.
- Introduction to open macroeconomics: balance of payments, exchange rates and capital mobility

SKILLS

GENERAL SKILLS

- CG01 - Destrezas en manejar ideas y el entorno en el que se desenvuelven
- CG02 - Habilidad de comprensión cognitiva
- CG03 - Capacidad de análisis y síntesis
- CG05 - Habilidad de comunicación oral y escrita en lengua castellana
- CG07 - Capacidad para gestionar la información
- CG08 - Capacidad para la resolución de problemas
- CG10 - Destreza para el trabajo en equipo
- CG11 - Capacidad de trabajo en un equipo de carácter interdisciplinar
- CG13 - Habilidades en las relaciones interpersonales
- CG16 - Capacidad de razonamiento crítico y autocrítico
- CG17 - Capacidad de aprendizaje y trabajo autónomo



- CG24 - Capacidad de aplicar los conocimientos en la práctica
- CG25 - Habilidad en la búsqueda de información e investigación

SUBJECT-SPECIFIC SKILLS

- CE15 - Conocer y aplicar los conceptos básicos de Economía
- CE16 - Conocer y aplicar los conceptos básicos de Microeconomía
- CE17 - Identificar y anticipar problemas económicos relevantes en relación con la asignación de recursos en general, tanto en el ámbito privado como en el público
- CE18 - Conocer los criterios de elección económica de los agentes, el papel económico del Estado, el ciclo económico y las políticas para estabilizarlo
- CE19 - Entender que, además de la habilidad para derivar y demostrar las proposiciones lógicas o matemáticas, debe utilizarse la intuición, que ayudará a decidir qué teorías o proposiciones pueden aplicarse en un determinado contexto
- CE20 - Conocer y aplicar los conceptos básicos de Macroeconomía
- CE21 - Utilizar herramientas básicas de naturaleza cuantitativa para el diagnóstico y análisis económico
- CE22 - Aportar racionalidad al análisis y a la descripción de cualquier aspecto de la realidad económica
- CE23 - Evaluar consecuencias de distintas alternativas de acción y seleccionar las mejores dados los objetivos
- CE24 - Entender las instituciones económicas como resultado y aplicación de representaciones teóricas o formales acerca de cómo funciona la economía

TRANSFERABLE SKILLS

- CT02 - Conocer, comprender y aplicar los distintos modelos económicos para aportar racionalidad al análisis y a la descripción de cualquier aspecto de la realidad y ser capaz de conocer los criterios de elección económica de los distintos agentes que conforman la sociedad

LEARNING OUTCOMES

After this course, the student should be able to assess the need and convenience of applying economic policies, as well as, evaluate the effects of such policies on economic activity. It is important that, at the end of this subject, and in order to achieve the specific competences of this subject, the student adopts a scientific attitude towards economic problems, has a critical attitude towards theoretical models, and a pragmatic attitude that reconciles models and analysis to solve specific problems of Macroeconomics.

The objectives of this subject are:

- To make proper use of typical economic terms of an introductory course and the basic concepts already seen in the subjects of this same module: Political Economy and Microeconomics I.
- To know how to calculate the fundamental macroeconomic variables and make comparisons across different economies.
- To understand the basic structure of economic models.
- To know the concept of aggregate demand and distinguish the different components that make it up.
- To know the concept of balance in the goods market and calculate it.



- To obtain the relationship between production / income and the equilibrium interest rate in the goods market.
- To characterize the demand for money and the money supply.
- To determine the equilibrium in the money market.
- To obtain the relationship between production and the equilibrium interest rate in the money market.
- To understand and use the IS-LM Model.
- To analyze the effects of economic policies in a closed economy.
- To calculate, graphically and analytically, the effects of economic policies on the main economic variables.
- To carry out a comparative analysis on the effectiveness of different policies based on the characteristics of the economy.
- To formulate the balance of payments.
- To recognize the different exchange rate systems.
- To describe capital flows across countries.
- To understand and use the Mundell-Fleming Model (IS-LM-BP).
- To calculate, graphically, the effectiveness of economic policies in an open economy.
- To calculate, graphically and analytically, the effects of economic policies on the main economic variables.
- To carry out a comparative analysis of the effectiveness of different policies based on the characteristics of the economy (in particular under different exchange rate systems).

PLANNED LEARNING ACTIVITIES

THEORY SYLLABUS

Part 1: Introduction to macroeconomics

- Aggregate production and economic fluctuations.
- Unemployment and inflation.
- The short, medium and long term.
- Description of the model.

Part 2: Balance in the goods market

- Aggregate demand and equilibrium production
- Components of aggregate demand
- The public sector and the budget
- Balance in the goods market and the IS curve

Part 3: Balance in the money market

- The demand for money
- The money supply
- Balance in the money market and the LM curve

Part 4: Economic policies in a closed economy

- Balance in the goods and money market
- Obtaining the Aggregate Demand
- Monetary policy
- Fiscal policy



- Combinations of economic policies

Part 5: Economic policies in an open economy

- The balance of payments
- Fixed exchange rate system
- Flexible exchange rate system
- Semi-fixed exchange rate system
- Nominal exchange rate and real exchange rate
- Trade balance and balance in the goods market
- Balance in the market for goods, money and currencies
- Perfect mobility of capital and flexible exchange rates
- Economic policies in an open economy: monetary, fiscal and exchange

PRACTICAL SYLLABUS

- Practices / Seminars: problem sets are proposed for topics II, III; IV and V.

RECOMMENDED READING

ESSENTIAL READING

- Dornbusch R. Fischer S. and Startz, R.: Macroeconomics, Ed MacGraw Hill.

COMPLEMENTARY READING

- Mankiw, N.. Macroeconomics. Worth Publishers.
- Blanchard O., (2004). Macroeconomics. Pearson.

RECOMMENDED LEARNING RESOURCES/TOOLS

- Subject link: <https://prado.ugr.es>
- Databases:
 - Spanish National Bureau of Statistics: www.ine.es
 - Bank of Spain: www.bde.es
 - European Central Bank: www.ecb.europa.eu/ecb/html/index.es.html
 - International Monetary Fund: www.imf.org
 - World Bank: <http://www.worldbank.org/>

TEACHING METHODS

- MD01 Docencia presencial en el aula
- MD02 Estudio individualizado del alumno, búsqueda, consulta y tratamiento de información, resolución de problemas y casos prácticos, y realización de trabajos y exposiciones.
- MD03 Tutorías individuales y/o colectivas y evaluación



ASSESSMENT METHODS (Instruments, criteria and percentages)**ORDINARY EXAMINATION DIET**

- According to the evaluation and qualification standards of the students of the University of Granada (last modification approved in the Government Council on October 26, 2016), the evaluation of the students' academic performance will respond to public, objective and impartial criteria, and it will preferably be continuous in order to evaluate the acquisition of the content and skills to be developed.
- Continuous assessment:
 - Three multiple choice question (MCQ) exams will be carried out throughout the semester.
 - Each MCQ test consists of 10 questions. Correction methods will be used to discourage random responses.
- Final Exam
 - Consists of a MCQ exam. There is only one correct answer.
 - Correction methods will be used to discourage random responses.
- Mark calculation
 - The continuous assessment mark (NEC) is obtained as the average of the marks of the three partial tests.
 - $NEC = (N1 + N2 + N3)/3$
 - Being N1, N2 and N3 are the marks of MCQ exams 1, 2 and 3 respectively.
 - In the event of not taking any of these tests, the score assigned will be 0.
 - The final evaluation mark (NEF) will be the one obtained in the final evaluation test
 - The final mark (NF) is obtained as the maximum mark between: the final assessment mark and the mark obtained as a weighted average of the final assessment mark (60%) and continuous assessment mark (40%):
 - $NF = \max (NEF; 0.6 * NEF + 0.4 * NEC)$

EXTRAORDINARY EXAMINATION DIET

- 100% of the mark will correspond to that obtained in a final exam of the type described in the final exam of the ordinary call.

SINGLE FINAL ASSESSMENT (evaluación única final)

- Article 8 of the current Rules for Assessment provides for the taking of a single final assessment, which students may apply for in the first two weeks of teaching of the subject (or two weeks following change of matriculation). Application is to be made through the electronic system, citing and accrediting the reasons for not being able to undergo the system of continuous assessment (reasons of employment, health, disability or any other correctly justified cause), with the understanding that this assessment is undertaken in a single academic act in order to accredit that the student has acquired in full the described competences.
- 100% of the mark will correspond to that obtained in a final exam of the type described in the final exam of the ordinary call.
- Students who do not do this final exam will have the grade of “Not presented”.



ADDITIONAL INFORMATION

- The Department of Economics, in accordance with the Regulations for the care of students with disabilities and other specific needs for educational support, approved by the Governing Council of the UGR on September 20, 2016, will promote the right to education under conditions of equal opportunities for students with disabilities and other specific educational support needs. The necessary care actions will be established to achieve their full and effective inclusion, guaranteeing their right to inclusive education, in accordance with the principles of non-discrimination, equal opportunities and universal accessibility, so that they can achieve the maximum possible development of their personal capacities and, in any case, the objectives established in general for the entire student body.
- Likewise, according to article 11 of the Regulations for the Evaluation and Qualification of students of the current University of Granada, the evaluation systems will be adapted to students with disabilities or other specific needs for educational support, guaranteeing in any case their rights and favoring their inclusion in university studies.
- The information contained in this guide may be modified by supervening circumstances, changes in regulations or new guidelines that may be given by the health authorities, the University or the Center.

