

Approval date: 26/06/2023

COURSE GUIDE

**Macroeconomics 1 (2391123)**

<b>Grado (Bachelor's Degree)</b>	Grado en Economía	<b>Branch</b>	Social and Legal Sciences
<b>Module</b>	Formación Básica	<b>Subject</b>	Economía
<b>Year of study</b>	2º	<b>Semester</b>	1º
<b>ECTS Credits</b>	6	<b>Course type</b>	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 - Skills in dealing with the ideas and the environment they are involved in.
- CG02 - Cognitive comprehension skills.
- CG03 - Ability to analyse and summarise.
- CG05 - Oral and written communication skills in Spanish.
- CG07 - Ability to manage information.
- CG08 - Problem-solving skills.
- CG10 - Ability to work in a team.
- CG11 - Ability to work in an interdisciplinary team.
- CG13 - Skills in interpersonal relationships.
- CG16 - Ability to engage in critical and self-critical reasoning.
- CG17 - Ability to learn and work autonomously.
- CG24 - Ability to apply knowledge to practice.



- CG25 - Ability to search for information and research.

### SUBJECT-SPECIFIC SKILLS

- CE15 - Know and apply the basic concepts of Economics.
- CE16 - Know and apply the basic concepts of Microeconomics.
- CE17 - Identify and anticipate economic problems relevant to the general allocation of resources in the public and private sector.
- CE18 - Understand the economic choice criteria of agents, the economic role of the State, and the economic cycle and the policies to stabilise it.
- CE19 - Understand that, in addition to the ability to derive and prove logical or mathematical propositions, intuition must be used, as it will help to decide which theories or propositions can be applied in a given context.
- CE20 - Know and apply the basic concepts of Macroeconomics.
- CE21 - Use basic quantitative tools for diagnosis and analysis.
- CE22 - Bring rationality to the analysis and description of any aspect of economic reality.
- CE23 - Evaluate the consequences of alternative courses of action and select the best ones given the objectives.
- CE24 - Understand economic institutions as the result and application of theoretical or formal representations of how the economy works.

### TRANSFERABLE SKILLS

- CT02 - Know, understand and apply the different economic models to provide rationality to the analysis and description of any aspect of reality, and be able to know the economic choice criteria of the different agents that make up society.

### 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

- Blanchard, O., Amighini, A. y Giavazzi, F. (2012): “Macroeconomía”, 5ª ed., Pearson.
- Dornbusch R. Fischer S. and Startz, R.: Macroeconomics, Ed MacGraw Hill.

### COMPLEMENTARY READING

- Milgram J. y Lagos F. (2013): Apuntes y ejercicios resueltos de macroeconomía 1, FCCEE, Granada.
- Abel, A. y Bernanke, B.S. (2009): Macroeconomics, 6ª Edición, Addison-Wesley: New York
- Bajo, O., Díaz, M.C. y Monés, M.A. (2000): Ejercicios de Macroeconomía Intermedia, Antoni Bosch: Barcelona.
- Barro, R.J., Grilli, V. y Febrero, R. (2005): Macroeconomía: Teoría y Política, 4ª Edición, McGraw-Hill: Madrid.
- Blanchard O. (2009): Macroeconomía, 5ª Edición, Prentice Hall Pearson Education
- Krugman, P. y Obstfeld, M. (2000): Economía Internacional: Teoría y Política, 5ª Edición, McGraw-Hill: Madrid.
- Lagos, F., Lacomba, J. A., Milgram, J., y A. I. Moro-Egido: CDROM de Autoevaluación de Macroeconomía 1, FCCEE, Granada.
- Mankiw, N.G. (2007): Macroeconomía, 6ª Edición., Antoni Bosch: Barcelona.
- Wyplosz, Ch. y Burda, M. (1994): Macroeconomía: Un texto europeo, Ariel: Barcelona.

## RECOMMENDED LEARNING RESOURCES/TOOLS

- Subject link: <https://prado.ugr.es>
- Databases:
  - Spanish National Bureau of Statistics: [www.ine.es](http://www.ine.es)
  - Bank of Spain: [www.bde.es](http://www.bde.es)
  - European Central Bank: [www.ecb.europa.eu/ecb/html/index.es.html](http://www.ecb.europa.eu/ecb/html/index.es.html)
  - International Monetary Fund: [www.imf.org](http://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.
  - Participation in class by solving exercises proposed throughout the course.
- Final Exam
  - Consists of a MCQ exam. It consists of 20 multiple-choice questions where 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.
    - $NEC = (N1 + N2 + N3 + PC) / 4$
    - Being N1, N2 and N3 are the marks of MCQ exams 1, 2 and 3 respectively and PC the participation in class .
    - 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.

