

Approval date: 26/06/2023

COURSE GUIDE

International Macroeconomics (23911A2)

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|----------------------------------|---|-----------------|-----------------------------|---------------------|---|--------------------|-----------------|
| Grado (Bachelor's Degree) | Grado en Economía | Branch | Social and Legal Sciences | | | | |
| Module | Economía Bancaria y Macroeconomía Internacional | Subject | Macroeconomía Internacional | | | | |
| Year of study | 4 ^o | Semester | 1 ^o | ECTS Credits | 6 | Course type | Elective course |

PREREQUISITES AND RECOMMENDATIONS

- Students are required to have successfully completed the units about Economics from the Underpinning Knowledge module.
- Students are also expected to have foundational knowledge of microeconomics (consumer and producer behaviors in perfect and imperfect competition markets) and of macroeconomics (IS–LM Model in a closed economy).

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

- Theory of international trade in perfect and imperfect competition
- Welfare impact of trade policy instruments, in perfect and imperfect competition
- Determinants of exchange rates in the short run and the long run
- Effectiveness of monetary and fiscal policies under different exchange regimes and types of capital mobility

SKILLS

GENERAL SKILLS

- CG03 - Ability to analyse and summarise.
- CG08 - Problem-solving skills.

SUBJECT-SPECIFIC SKILLS

- CE17 - Identify and anticipate economic problems relevant to the general allocation of resources in the public and private sector.
- 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.
- CE24 - Understand economic institutions as the result and application of theoretical or formal representations of how the economy works.
- CE30 - Issue advisory reports on specific situations in the economy (international, national or regional) or its sectors.
- CE31 - Identify the sources of relevant economic information and their content.
- CE38 - Derive from the data relevant information not accessible to non-professionals.
- CE59 - Contribute to the proper management of resource allocation in both the private and public sectors.
- CE64 - Draft economic management projects at the international, national and regional level.
- CE69 - Understand the functioning of imperfectly competitive markets.
- CE73 - Understand the main models of international economy.

TRANSFERABLE SKILLS

- CT01 - Through the knowledge and application of concepts learnt in the Bachelor's Degree (Grado), be able to identify and anticipate economic problems relevant to the allocation of resources, both in the public and private sectors.
- 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.
- CT03 - Learn to communicate fluently in an environment and to work in a team, both in a national and an international context.

LEARNING OUTCOMES

- To understand the functioning and transmission mechanisms of monetary policy from a theoretical and updated practical perspective.
- To know the main theories of international trade in perfect and imperfect competition in open economies
- To evaluate the consequences of different alternative exchange, fiscal and monetary policies in open economies

PLANNED LEARNING ACTIVITIES

THEORY SYLLABUS

- Topic 1: Introduction: objectives of international economics
- Topic 2: Balance of payments
- Topic 3: Theory of comparative advantage and its empirical verifications
- Topic 4: New theory of international trade and its empirical verification
- Topic 5: Trade policy instruments and their effects in terms of welfare
- Topic 6: Political economy of trade policies and trade integration
- Topic 7: Determinants of exchange rates
- Topic 8: Macroeconomic analysis in an open economy
- Topic 9: Effectiveness of macroeconomic policies in an open economy
- Topic 10: Choice of an exchange regime, monetary integration



PRACTICAL SYLLABUS

- Practice 1: Balance of payments and trade indicators
- Practice 2: Ricardo's model exercises
- Practice 3: Hecksher-Ohlin's model exercises, neotechnological and neofactorial theories,
- Practice 4: New theories, Trade policy instruments. Political economy of trade policies and monetary integration
- Practice 5: Effectiveness of economic policy with imperfect capital mobility
- Practice 6: Case study of a country

RECOMMENDED READING

ESSENTIAL READING

- Krugman P., Obstfeldt M., Melitz MJ (2021) International Economics 11th Edition Pearson Education.
- Pugel T. (2019): International Economics, McGraw Hill; 17th edition

COMPLEMENTARY READING

- Feenstra R. and Taylor A.M. Essentials of international economics 2020. Fifth edition
- Feenstra R. and Taylor A.M. (2021) International Trade. Princeton: Princeton University Press. 5th ed.
- Articles, notes and worksheets delivered by the teachers

RECOMMENDED LEARNING RESOURCES/TOOLS

- <https://prado.ugr.es/moodle/> (Webpage of the subject)
- <https://voxeu.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 Rules of assessment and grading of the students of the University of Granada (latest modification approved by the Governing Board on 26th October 2016), the assessment of



students' academic performance will reflect public, objective and impartial criteria, and will preferably be continuous and ongoing.

Evaluation system:

- The evaluation system preferably consists in an ongoing evaluation.
- All students (even those who have opted for the ongoing assessment system) can take the final exam.
- The grade will be the maximum between the final exam grade (FE) and the continuous assessment grade (CE).

Final evaluation system:

- Dates: To be specified
- Application for coincidence of exams: In case of coincidence of the date with another exam, students have to request a change of date at the secretariat. The deadlines to apply can be found in the "students" section of the website of the Faculty of Economic and Business Sciences (<http://fcee.ugr.es>)
- Final exam:
 - Type: The exam consists of 20 multiple-choice questions. Three incorrect answers subtract one correct answer. The blank answers neither add nor subtract points.
 - Content: The exam covers both the theoretical part and the practical part of the subject.

Ongoing evaluation system:

- The continuous assessment system is based on: a partial exam, realization of practice exercises and the realization and presentation of a case study. In addition, attendance at the case studies presentations (weeks 13-16) is taken into account.
- The continuous evaluation (CE) mark will be obtained as follows:
- $CE = \max(\text{partial exam (40\%)} + \text{completion and presentation of a case study (40\%)} + \text{practice exercises (20\%)}; \text{partial exam (50\%)} + \text{completion and presentation of a case study (50\%)})$
- Partial exam
 - It is necessary to obtain at least 4 in the partial exam to pass the continuous evaluation.
 - The exam is similar and embraces the same syllabus as the final exam (see instructions for the final exam).
- Case study
 - The realization of the work consists in conducting a study of the pattern of trade, trade and exchange policy and equilibrium of the balance of payments for a country assigned by the teacher.
 - The teacher will provide the data and the precise outline to follow and will assign each student a country and a presentation date (Weeks 13-16).
 - The student will deliver her presentation (powerpoint or pdf) on paper and will perform a presentation of 10 minutes of her work in the session that has been assigned.
- Practices:
 - Assessment is based on the marks obtained in the quiz carried out in class on the exercises and texts proposed by the teacher during practice sessions.

EXTRAORDINARY EXAMINATION DIET

- Type: The exam consists of 20 multiple-choice questions. Three incorrect answers subtract one correct answer. The blank answers neither add nor subtract points.
- Content: The exam covers both the theoretical part and the practical part of the subject.

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 competencies described.
- The single final assessment is obtained as 100% of the grade obtained in the final exam described in the previous section.

ADDITIONAL INFORMATION

All the details about the realization and presentation of the practices and case studies will be available on the webpage of the subject.

ACTIVITY PROGRAM:

Planning is indicative and subject to change. The changes will be announced through the web page of the subject.

- Week 1
 - Topic 1 Introduction: object of the international economy
- Week 2
 - Topic 2 Balance of payments
 - Practice 1: Balance of payments and trade indicators
- Week 3
 - Topic 3 Theory of comparative advantage and its empirical verifications
- Week 4
 - Topic 3 Theory of comparative advantage and its empirical verifications
 - Practice 2: Ricardo's model exercises
- Week 5
 - Topic 3 Theory of comparative advantage and its empirical verifications
 - Practice 3: Heckscher-Ohlin's model
- Week 6
 - Topic 4 New theory of international trade and its empirical verification
 - Practice 3: Heckscher-Ohlin's model
- Week 7
 - Topic 5 Trade policy instruments and their effects in terms of welfare
 - Practice 4: New theories, Trade policy instruments. Political economy of trade policies and monetary integration
- Week 8
 - Topic 7 Determinants of exchange rates
 - Topic 8 Macroeconomic analysis in an open economy
- Week 9
 - Topic 9 Effectiveness of macroeconomic policies in an open economy
- Week 10:
 - Topic 10 Choice of an exchange regime, monetary integration
 - Practice 5: Effectiveness of economic policy with imperfect capital mobility
- **Week 11: Partial exam**
- **Weeks 12-15: Work presentations**

The Department of Economic Theory and History, in accordance with the Regulations for the attention to students with disabilities and other specific educational support needs (approved by the Governing Board of the University of Granada on 20th September 2016) will promote the right to education under conditions of equal opportunities to students with disabilities and other





specific educational support needs. The necessary assistance 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 and , in any case, the objectives established in general for all students. Likewise, according to article 11 current Rules for Assessment of students at the University of Granada, the evaluation systems will be adapted to students with disabilities or other specific needs of educational support, guaranteeing in any case their rights and favouring their inclusion in university studies.

