27319 - Macroeconomics II

Syllabus Information

Academic Year: 2020/21

Subject: 27319 - Macroeconomics II

Faculty / School: 109 - Facultad de Economía y Empresa

228 - Facultad de Empresa y Gestión Pública

301 - Facultad de Ciencias Sociales y Humanas

Degree: 454 - Degree in Business Administration and Management

448 - Degree in Business Administration and Management

458 - Degree in Business Administration and Management

ECTS: 6.0

Year: 2

Semester: Second semester

Subject Type: Compulsory

Module: ---

1.General information

1.1.Aims of the course

The general objectives of these studies include *graduates must know the connection of the normal development of all these functional areas with the general objectives of the productive unit, and of these objectives with the global context of the economy....*Macroeconomics II is aimed at defining and modelling fundamental aspects of this global context of the economy.

Among the specific goals, the subject deals with the acquisition of knowledge and skills over a series of aspects - the first of which is *the nature of the company and its relationship with the immediate and near immediate environment*. Macroeconomics deals with the characterization of this environment; to be specific, with the aims laid out in annex 1.d): *the explanation of the aggregate production, of the effect of the quantity of money, inflation, unemployment and economic growth. The role of economic policy tools, and in*1.f), which includes *the national and international economic reality, the importance of different productive sectors, of the public sector, of economic institutions and their evolution*.

These aims are in accordance with the Sustainable Development Goals adopted by the UN member states as part of the 2030 Agenda (https://www.un.org/sustainabledevelopment/) and contribute to these specific goals and targets:

Goal 4:. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Target 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

1.2.Context and importance of this course in the degree

As this subject is in the second year of the first cycle of the study programme, it will apply knowledge already acquired in other basic and compulsory subjects such as Mathematics I and Mathematics II (basic lineal algebra, differential calculus, optimization), Microeconomics I (basic theoretical principles of consumption, production, and market functioning), Macroeconomics I and Economic History. The subject will also be complemented with subjects from areas of Microeconomics and statistics.

Likewise, a good level at Macroeconomics II will provide students with a suitable context for following applied subjects such as Econometrics, Strategic Management, Management of Financial Risks, Econometric Applications in Businesses, or Quantitative Methods for Firms.

1.3.Recommendations to take this course

As the subject title indicates, the syllabus of Macroeconomics II is based on that of Macroeconomics I. Hence, having studied Macroeconomics I previously is recommendable in order to gain the maximum benefit from this subject. A good grasp of the concepts and procedures studied in Microeconomics I and the analytical tools in Mathematics I and II is also recommended.

2.Learning goals

2.1.Competences

Specific skills

- To be able to assess the situation and foreseeable evolution of firms and organizations, make decisions and extract relevant knowledge.

- To issue advisory reports on specific situations of markets, sectors, organizations, firms and functional areas.

- To understand and apply professional criteria and scientific rigour to solve economic, business and organizational problems.

***Transversal skills*:**

- Capacity to solve problems.

- Capacity to analyze and synthesize.

- Capacity to apply their knowledge in practical situations.

2.2.Learning goals

To pass this subject, students must show a sufficient level of knowledge of the fundamental interrelationships between short, mid, and long-term phenomena, as well as the distinctive features of how an economy open to the world functions. This knowledge will be verified via a diagnosis of the problems emerging from specific situations in a country or region and the student's judgement of the best economic policy alternatives to solve them.

Students who pass this subject will be able to:

a) Distinguish between the short, mid, and long-term aggregate dynamics of economies: agents, flows, assets, and relevant prices in each case. To be specific, to point out the motors which guarantee positive economic growth rates.

b) Interrelate the short, mid and long-term dynamics with the appropriate mechanisms of how markets work.

c)   Identify the influence of the flexibility or rigidity of markets - especially of the labour market - on the dynamic behaviour of economies.

d) Identify short-term behaviour as a phenomenon of economic cycles fluctuating around a long-term tendency and be able to identify its origin.

e) Identify the specific features of the behaviour of the main markets and economic policy tools within open economies. To be specific, the exchange rate and capital mobility systems, as well as the opportunities and limits that open economies represent.

f)   Propose mid and long-term economic policy diagnoses and measures in strongly globalized dynamic macroeconomic contexts.

2.3.Importance of learning goals

The subject matter and its expected results respond to the need to prepare students in the field of Macroeconomics for the development of their professional career. Macroeconomics II also lays the foundations to acquire higher knowledge in subjects such as labour, international or monetary economics or innovation, and economic growth, etc.

3.Assessment (1st and 2nd call)

3.1.Assessment tasks (description of tasks, marking system and assessment criteria)

The student will prove that he/she has achieved the expected learning results by means of one of these ways: 1) continuous assessment testing which evaluates the acquisition of macroeconomic knowledge based on a part of the subject program, or 2) a final exam assessing the acquisition of knowledge based on the overall subject programme.

1. Evaluation through two tests, one mid-term and another at the end of the course. These tests will be made up of multiple-choice questions and/or the resolution of practical-theoretical exercises associated with part of the subject. They will be carried out on the dates determined by the center for mid-term and final tests. The student will be considered to have passed the subject in this way if the average of the two tests (marked out of 10) is equal to or over 5 and they have not obtained a mark below 3.5 in any of the two tests. Otherwise, the student will be considered as not presented by this way.

2.-General overall assessment: students who do not choose the first option, or do not pass the subject by such way, or wish to improve their mark, will be able to sit the general exam. Their final mark will be the best one they achieve in either of the options. The general exam is a exam based on a group of practical or theoretical questions.

Students will be able to pass the subject with the maximum mark they obtain under either system. If a student decides to use both systems, their final mark will be that which is more favourable for the student.

The second sitting of the assessment exam will be carried out in a similar way to the exam mentioned above.

The tests are planned to be made face-to-face, but could be made online ir required due to sanitary circumstances. In on line tests the student can be recorded; in such case, the student can exercise its rights as stated in:

https://protecciondatos.unizar.es/sites/protecciondatos.unizar.es/files/users/lopd/gdocencia_reducida.pdf

Adequate software will be used to check the originality of the activities realized. If plagiarism or copy are detected in any activity, the grade will be set to 0.

4.Methodology, learning tasks, syllabus and resources

4.1.Methodological overview

The methodology followed in this course is oriented towards the achievement of the learning objectives. A wide range of teaching and learning tasks are implemented, such as lectures, practice sessions, tutorials and seminars.

4.2.Learning tasks

This course is organized as follows:

- **Lectures** (1.2 ECTS: 30 hours). The professor will explain the basic contents of the subject. Students should complement these explanations with the recommended bibliography. They consist on theory and problem solving participatory sessions.
- **Practice sessions** (1.2 ECTS: 30 hours). Students will solve practical exercises under the supervision of the professor. The groups will be split for these classes so as to facilitate the students' participation. Problem solving and case studies applying specific technical tools.
- **Tutorials and seminars** (0.6 ECTS).
- **Autonomous work and study** (3 ECTS). Exercises solving. Using ICT. Preparing work projects and exams.

The teaching methodology is planned to be face-to-face. However, if necessary for health reasons, classes may be taught online.

4.3.Syllabus

This course will address the following topics:

Section one: Mid and long-term economics

- **Topic 1.** Inflation and unemployment. Mid-term and economic cycles
    1. Economies as time goes by
    2. The Phillips Curve
    3. Mid-Term and Natural Unemployment rate
    4. Dynamic Supply and Dynamic Demand
    5. Rational Expectations
- **Topic2. Long-term growth. The Solow model.**
    1. The facts of Growth
    2. The Solow model without technical change
    3. Sources of growth
    4. Growth Accounting

Section two: Open economy

- **Topic 3. Currency markets and exchange rates**
    1. Nominal and Real Exchange Rates
    2. Supply and Demand for foreign currency
    3. Fixed and Flexible exchange rate systems
    4. Equilibrium in the foreign currency market: the BP function
- **Topic 4. Open economy model. Mundell-Fleming**
    1. Goods Markets and Financial Markets: fixed exchange rate
    2. Foreign currency markets and policy
    3. Interventions
    4. Fiscal, Monetary and Exchange Rates Policies
    5. Flexible Exchange rates: Fiscal and Monetary Policies

4.4.Course planning and calendar

Topic number 1 will be covered during 10 hours of lectures plus 10 of practice sessions. Following topics will be covered as follows: Topic 2: 5 hours + 5 hours; Topic 3: 5 hours + 5 hours; Topic 4: 10 hours + 10 hours.

Further information concerning the timetable, classroom, office hours, assessment dates and other details regarding this course, will be provided on the first day of class or please refer to the Moodle website (https://moddle2.unizar.es); Academic calendar website (https://academico.unizar.es/calendario-academico/calendario); or the website of your corresponding faculty (Zaragoza: https://econz.unizar.es/, Huesca: http://fegp.unizar.es/, Teruel: http://fcsh.unizar.es/).

4.5.Bibliography and recommended resources