

27430 - Macroeconomics IV

Syllabus Information

Academic Year: 2020/21

Subject: 27430 - Macroeconomics IV

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 417 - Degree in Economics

ECTS: 6.0

Year: 4

Semester: Second semester

Subject Type: Compulsory

Module: ---

1.General information

1.1.Aims of the course

1.2.Context and importance of this course in the degree

1.3.Recommendations to take this course

2.Learning goals

2.1.Competences

2.2.Learning goals

2.3.Importance of learning goals

3.Assessment (1st and 2nd call)

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

4.Methodology, learning tasks, syllabus and resources

4.1.Methodological overview

4.2.Learning tasks

The teaching methodology is planned for face-to-face classes. However, if necessary for health reasons, teaching could be delivered on line or in a blended way.

4.3.Syllabus

Part 1: Open economy:

Lesson 1: Open economy models

1.- INTRODUCTION

Behaviour functions of the foreign sector and equilibrium conditions

Exchange rate and capital mobility regimes

The small country hypothesis

2.- MUNDELL-FLEMING MODEL

Equations of the model

Functions for the resolution and utilization of the model

Results of the model depending of the regimes of exchange rate and capital mobility

3.- PURCHASING POWER PARITY HYPOTHESIS

4.- DORNBUSCH'S OVERSHOOTING MODEL

5.- BUITER-MILLER'S MODEL

Part 2: Business cycles:

Lesson 2: Competitive business cycles

1.- COMPETITIVE BUSINESS CYCLES MODELS: The new classical macroeconomy and the real business cycles

2.- THE NEW CLASSICAL MACROECONOMY AND THE HYPERINFLATIONS

3.- SPECULATIVE BUBBLES AND THE BUSINESS CYCLES

4.- RATIONAL EXPECTATIONS AND LEARNING

5.- ECONOMIC POLICY ASPECTS. Dynamic inconsistency and reputation

6.- BLANCHARD'S MODEL OF LIMITED RATIONALITY

Lesson 3: Business cycles with rigidities in the markets: good markets

1.- CAUSES OF THE PRICE STICKINESS IN THE GOOD MARKET: Staggered contracts, imperfect competition and menu costs

2.- AN ILLUSTRATION OF THE BUSINESS CYCLES ORIGIN WITH STAGGERED PRICES AND IMPERFECT COMPETITION.

3.- CALVO'S STAGGERED PRICE MODEL

4.- THE CURRENT MONETARY POLICY AND THE TAYLOR RULE

Lesson 4: : Business cycles with rigidities in the markets: labour market

1.- STICKY PRICES IN THE LABOUR MARKET: Efficiency wages

2.- TAYLOR'S MODEL OF STAGGERED WAGES

3.- OTHER MODELS OF STAGGERED WAGES

4.- EQUILIBRIUM UNEMPLOYMENT RATE: The dynamics of the vacants and the Beveridge curve. The matching function.

Part 3: Economic growth:

Lesson 5: Economic growth models

1. THE RAMSEY MODEL

1.1. The Ramsey model without technical progress

1.2. The Ramsey model with technical progress

2. ONE SECTOR ENDOGENOUS GROWTH MODELS: Externalities and AK models

2.1. Romer model with capital externality

2.2. Barro model of public expenditure

3. TWO SECTORS ENDOGENOUS GROWTH MODELS

3.1. Human capital: The Lucas model

3.2. Research and development: The technological change model of Romer

4.4.Course planning and calendar

4.5.Bibliography and recommended resources