

61333 - Economic Theory

Syllabus Information

Academic year: 2023/24

Subject: 61333 - Economic Theory

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 525 - Master's in Economics

ECTS: 6.0

Year: 1

Semester: First semester

Subject type: Compulsory

Module:

1. General information

This course aims to provide students with useful instruments to analyze the economic problems of current interest, from a complete perspective: microeconomic and macroeconomic. From the microeconomic perspective, understanding the mechanisms that explain the behavior of each individual as well as the economic interrelationships with other individuals, either in a climate of cooperation or conflict, is a requirement to measure the social welfare of the community and propose appropriate measures. From a macroeconomic perspective, the current state of an economy is the result of the combination of a long-term dynamic trajectory and short-term fluctuations, and knowing both is a requirement to understand the optimal macroeconomic policies in both the long-term and short-term context.

These approaches and objectives are aligned with the following Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda (<https://www.un.org/sustainabledevelopment/es/>), in such a way that the acquisition of the results of Subject learning provides training and competence to contribute to some extent to its achievement:

- Objective 4: Quality education. (Targets 4.3, 4.4 and 4.5)
- Goal 8: Decent work and economic growth. (Targets 8.2 and 8.5)

2. Learning results

To pass this subject, the student must demonstrate the following results:

- Understand the microeconomic mechanisms that explain the functioning of the economy, both from the point of view of individual and collective behavior.
- Analyze the different decisions of individuals, in their role as demanders of consumer goods and providers of productive resources, paying attention to their distribution choices of the goods demanded and the resources offered, according to current models of individual behavior.
- Analyze the different decisions of individuals in a collective context, in collaboration or conflict with other individuals, according to the different approaches to collective behavior, emphasizing the social welfare achieved.
- IV. Manage the basic instruments of dynamic macroeconomics, in particular, continuous-time models and overlapping generation models, and be able to apply them to long-term analysis of the behavior of economies and economic policies.
- v. Know the current methods of measuring economic cycles and the mechanisms that explain why certain macroeconomic policy measures are adopted, whether they are fiscal or monetary policies, conventional or not.

3. Syllabus

Part I. Macroeconomics

I.1. Basic instruments of dynamic macroeconomics

I.2. Economic growth

I.3. Economic fluctuations

Part II. Microeconomics

II.1. Models of Individual behavior

II.2. Models of collective behavior

II.3. Applications

4. Academic activities

The course takes place over fifteen weeks, with four hours of face-to-face class per week, divided into two two-hour sessions. The first half corresponds to the macroeconomic approach and the second to the microeconomic. The course begins the first week of October.

The course is divided into two thematic blocks. Materials and bibliography will be provided in each one of them, as well as a series of exercises that students must deliver solved as indicated by the corresponding teacher. On the first day of face-to-face class, the mechanics of work to be followed throughout the fifteen weeks will be explained in detail. Once each of the parts is finished, a written test will be carried out.

Calendar of face-to-face sessions and presentation of works:

Macroeconomy:

1. Basic instruments of dynamic macroeconomics: Dynamic systems and the problem of optimal control, basic model of infinite horizon and model of overlapping generations (9 contact hours distributed between master class and presentation and defense of works).

2. Models of economic growth (7 face-to-face hours distributed between lectures and presentation and defense of papers).

3. Economic fluctuations: Business cycles, Theory of real cycles, nominal rigidities and neo-Keynesian models (12 contact hours distributed between lectures and presentation and defense of papers).

4. Final exam (2 hours).

Microeconomics:

1. Individual behavior: Separable and non-separable intertemporal unitary models (9 face-to-face hours distributed between master class and presentation and defense of works).

2. Collective behavior: Models à la Chiappori and models with game theory (9 face-to-face hours distributed between master class and presentation and defense of works).

3. Applications: Economy of the population and labor market (10 contact hours distributed between lectures and presentation and defense of works).

4. Final exam (2 hours).

5. Assessment system

The student must demonstrate that they have achieved the intended learning outcomes through the following assessment activities.

System of evaluation

Exercises, presentations and participation in classes 50%

Final exam 50%

Students who do not opt for the previous system or do not pass the subject by this procedure or who wish to improve their grade, will have the right to take a global test, prevailing, in any case, the best of the grades obtained