VNIVERSITAT ID VALÈNCIA

COURSE DATA

Data Subject	
Code	44335
Name	Macroeconomícs
Cycle	Master's degree
Créditos ECTS	5.0
Academic year	2016 - 2017

Study (s)			
Degree	**Center**	**Acad. year**	**Period**
2202 - M.U. en Economía	FACULTY OF ECONOMY	1	First term

Subject-matter		
Degree	**Subject-matter**	**Character**
2202 - M.U. en Economía	2 - Analytical and conceptual subject areas	Obligatory

Coordination	
Name	**Department**
FERRI CARRERES, FRANCISCO JAVIER	10 - ANÁLISIS ECONÓMICO

SUMMARY

This course introduces to the key building blocks of modern macroeconomic theory. The emphasis is on understanding different theoretical approaches and their relevance to macroeconomic policy by looking at both real and monetary aspects of economies. At the end of the course student should be familiar with the following topics:

- Economic Growth

- Unemployment

- Business Cycle and Monetary Policy

- Consumption and Investment Theory

- Financial Restrictions.

Tutorial classes will be used to solve problem sets and to introduce to the use of Matlab and Dynare to build, solve and simulate simple dynamic stochastic general equilibrium models.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

Students are expected to hold some knowledge on basic macroeconomics. Therefore, although some tutorial classes will be used to update students to the required level, it would be wise to go over any of the intermediate macroeconomics reference books previous to the starting of the course.

RESULTADOS DE APRENDIZAJE

On successful completion of the course the students should be able to appraise modern theoretical models of determination of the main macroeconomic variables and to understand how they help to explain the empirical evidence. In particular, at the end of the course the students should be able to understand the following issues:

- The main determinants of income in the long run.

- The causes of cyclical and structural unemployment.

- Intertemporal optimization problems and general equilibrium.

- The basic principles of monetary econonomics.

- The importance of financial restrictions.

- The policy solution to macroeconomic problems.

The students eventually should also be able to build and program a simple DSGE to simulate the outcomes of different economic policies.

DESCRIPTION OF CONTENTS

1. Topic 1. Optimal Growth.

2. Topic 2. Unemployment: Search and Matching Models.

3. Topic 3. Real Business Cycle Model and Investment.

4. Topic 4. Price Rigidity: The New Keynesian Model.

5. Topic 5. Heterogeneous Consumers and Financial Constraints.

6. Topic 6. A Complete New Keynesian Style DSGE Model.

WORKLOAD

	Hours
CLASSROOM ACTIVITIES	
Theory classes	40.0
Classroom practices	10.0
Total Classroom activities	**50.0**
TOTAL	**50.0**

TEACHING METHODOLOGY

The course combines lectures and tutorial classes. During lectures the core concepts are introduced. Tutorial classes expand these concepts by solving problem sets and introducing computing. All relevant material will be provided in advance.

EVALUATION

The final mark will be an average of continual assessment (30%) and a final written exam (70%) at the end of Term 1. Continual assessment will be made on the basis of problem set solutions, class involvement and work presentation at tutorial classes.

REFERENCES

Basic

- Barro, R.J and X. Sala i Martín (2004): Economic Growth. MIT Press.
- Pissarides, C. (2000): Equilibrium Unemployment Theory. MIT Press.
- Galí, J. (2011): Unemployment Fluctuations and Stabilization Policies: A New Keynesian Perspective. MIT Press.
- Galí, J. (2009): Monetary Policy, Inflation and the Business Cycle: An Introduction to the New Keynesian Framework.Princeton University Press.