Course Description
MACROECONOMICS I
2nd Year | 1st Semester

DEGREE: ECONOMICS (MINOR IN FINANCE AND MINOR IN INTERNATIONAL BUSINESS)

IN-CLASS TEACHING

ACADEMIC YEAR: 2019/2020

SCHOOL OF BUSINESS AND ECONOMICS
1. COURSE IDENTIFICATION

1.- COURSE:

<table>
<thead>
<tr>
<th>Name:</th>
<th>Macroeconomics I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code:</td>
<td>f204</td>
</tr>
<tr>
<td>Year (s) course is taught:</td>
<td>Second</td>
</tr>
<tr>
<td>Semester (s) when the course is taught:</td>
<td>First</td>
</tr>
<tr>
<td>Type:</td>
<td>Compulsory</td>
</tr>
<tr>
<td>ECTS:</td>
<td>6</td>
</tr>
<tr>
<td>Hours ECTS:</td>
<td>30</td>
</tr>
<tr>
<td>Language:</td>
<td>English and Spanish</td>
</tr>
<tr>
<td>In-class teaching:</td>
<td></td>
</tr>
<tr>
<td>Degree (s) in which the course is taught:</td>
<td>Economics (Minor in Finance, Minor in International Business)</td>
</tr>
<tr>
<td>School which the course is taught:</td>
<td>School of Business and Economics</td>
</tr>
</tbody>
</table>

2.- ORGANIZACIÓN DE LA ASIGNATURA:

| Departament: | Economics |
| Area of Knowledge: | Foundations of Economic Analysis |

2. PROFESORADO DE LA ASIGNATURA

1.- LECTURERS OF THE COURSE:

<table>
<thead>
<tr>
<th>Instructor in charge</th>
<th>CONTACT DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Ana Cristina Mingorance Arnáiz</td>
</tr>
<tr>
<td>Phone (ext):</td>
<td>91-514-04-40 (ext 15362)</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:mingor.fcee@ceu.es">mingor.fcee@ceu.es</a></td>
</tr>
<tr>
<td>Office:</td>
<td>1.21 B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lecturers</th>
<th>CONTACT DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Juan Ignacio Cáceres Ruiz</td>
</tr>
<tr>
<td>Phone (ext):</td>
<td>91-514-04-40 (ext 15663)</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:carrui@ceu.es">carrui@ceu.es</a></td>
</tr>
<tr>
<td>Office:</td>
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<table>
<thead>
<tr>
<th>Lecturers</th>
<th>CONTACT DETAILS</th>
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</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Martha Carro Fernández</td>
</tr>
<tr>
<td>Phone (ext):</td>
<td>91-514-04-40 (ext 15479)</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:carfer.fcee@ceu.es">carfer.fcee@ceu.es</a></td>
</tr>
<tr>
<td>Office:</td>
<td>1.19 B</td>
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</table>
2.- TUTORIALS:

For any queries students can contact lecturers by e-mail, phone or visiting their office during the teacher’s tutorial times published on the students’ Virtual Campus.

3. COURSE DESCRIPTION

Macroeconomics I provides Economics students with an overall framework for the short and medium run analysis of a given economy through the combined use of mathematics and graphical support. The goal is to understand the interrelations between the different macroeconomic variables.

The subject provides the necessary tools to help students undertake management decisions that favor economic growth and propel productive activities.

The subject is designed for a second year of study as students should have taken beforehand an introduction to both micro and macroeconomics. Finally, this subject constitutes the basis from which to build the analysis of economic policy and its impact on both business activity and different economic sectors.

4. SKILLS

1.- SKILLS:

<table>
<thead>
<tr>
<th>Code</th>
<th>Basic and General Skills</th>
</tr>
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<tbody>
<tr>
<td>CB2</td>
<td>Students should know how to apply their knowledge to their work or vocation in a professional manner and should have the skills that are usually demonstrated by compiling and defending arguments and resolving problems within their area of study.</td>
</tr>
<tr>
<td>CB3</td>
<td>Students should have the capacity to collect and interpret relevant data (usually within their area of study) to form opinions based on reflection on relevant topics of a social, scientific or ethical nature.</td>
</tr>
<tr>
<td>CG1</td>
<td>Capacity for analytical and critical thinking</td>
</tr>
<tr>
<td>CG2</td>
<td>Capacity to use new communication technologies, information systems and databases</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Code</th>
<th>Specific Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE3</td>
<td>Capacity to explain mathematically and to represent through graphical analysis the key macroeconomic models.</td>
</tr>
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</table>

2.- LEARNING OUTCOMES:

<table>
<thead>
<tr>
<th>Code</th>
<th>Learning Outcomes</th>
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<tbody>
<tr>
<td></td>
<td>Students must be able to identify the most relevant data to analyze a given problem and issue analytical statements based on the use of macroeconomic tools.</td>
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<tr>
<td></td>
<td>Students must be capable of working in teams, preferably through interdisciplinary teams.</td>
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<tr>
<td></td>
<td>Students must be able to work with the theoretical fundamentals used to explain and describe the international environment.</td>
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</tbody>
</table>
5. EDUCATIONAL ACTIVITIES

1.- DISTRIBUTION OF STUDENTS’ ASSIGNMENTS:

<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>On-campus hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA2</td>
<td>Seminar</td>
<td>45</td>
</tr>
<tr>
<td>EA3</td>
<td>Practice</td>
<td>15</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>Not on-campus hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA6</td>
<td>Independent Work</td>
<td>120</td>
</tr>
</tbody>
</table>

2.- EDUCATIONAL ACTIVITIES:

<table>
<thead>
<tr>
<th>Educational Activity</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Seminar</td>
<td>In-class seminar educational activity which, under the guidance of the professor, encourages collaborative learning among students and is focused on case studies and the subject matter to be studied in detail.</td>
</tr>
<tr>
<td>Practice</td>
<td>In-class educational activity in the form of workshops or undertaken in the computer room which, under the guidance of the professor, is directed at either the individual or group resolution of exercises and problems or the undertaking of practice that demonstrate an understanding of the theory studied.</td>
</tr>
<tr>
<td>Independent Work</td>
<td>Out-of-class educational activity centered around students’ independent study and/or development of activities needed to achieve the required skills</td>
</tr>
</tbody>
</table>

6. ASSESMENT OF LEARNING

1.- CLASS ATTENDANCE:

In order to be eligible for examination by continuous assessment students must attend at least 75% of scheduled class time (attendance sheets will be used). As students may be absent 25% of the classes, no attenuating circumstances will be accepted for absences. Class attendance does not merely refer to being in the classroom, but rather to an active and proper participation of the student.

Students who cannot comply with the required class attendance for justified reasons, should contact the Instructor in charge of the Teaching Unit at the beginning of the semester so as to elaborate a semester plan with tutorials adapted to the students’ circumstances, if it is deemed necessary. Students who do not comply with this procedure will be subject to the ordinary learning assessment.
2.- ASSESSMENT SYSTEM AND CRITERIA:

<table>
<thead>
<tr>
<th>ASSESSMENT SYSTEM</th>
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<tbody>
<tr>
<td>Code</td>
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<tr>
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<tr>
<td>AS1</td>
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<tr>
<td>AS2</td>
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<tr>
<td>AS3</td>
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3- DESCRIPTION OF ASSESSMENT SYSTEMS:

ORDINARY EVALUATION. CONTINUAL EVALUATION:

This subject is graded under a continual evaluation system that includes the following items:

1. **Applied Knowledge Test**: This is a knowledge test of an applied nature. The goal of this test is to assess the students’ ability to understand the basic concepts included in the subject. The weight of this test is 2.5 points with 30% allocated to multiple choice questions and the remaining 70% to theoretical and reasoning/applied questions.

2. **Individual Work**: Individual work is centered on the preparation of a macroeconomic report. Students will use data from access-free databases. The goal is to prepare a brief report in which they interpret the compiled data and obtain conclusions regarding the evolution of the main variables. Students are also expected to report the main macroeconomic relationships between the variables analyzed and to compare the macroeconomic evolution of the assigned country vis-à-vis other countries or economic areas. The report will be graded over 1.5 points.

3. **Submission of case studies, practices and exercises**: This item includes a variety of assessment activities that range from readings, theoretical and reasoning/applied questions, analytical presentation of economic news, review practices, etc. The weight of these activities is 1 point.

4. **Final Exam**: The final exam includes theoretical and analytical questions that compile the concepts and exercises reviewed during the semester. The weight of this item is 5 points with 30% allocated to multiple choice and the remaining 70% to theoretical and reasoning/applied questions. Students must obtain a minimum grade of 4 over 10 points in order to pass the subject.

In order to pass the subject through the continual evaluation system, students must:

1. Comply with the attendance requirement.
2. Obtain a minimum final grade of 5 points.
3. Turn-in the macroeconomic report.
4. The minimum grade in the final exam is 4 over 10 points.

Students whose final grade (continual evaluation plus final exam) adds up to 5 points but do not comply with the aforementioned requirements will obtain a final grade of 4 points.

EXTRAORDINARY EVALUATION:

<table>
<thead>
<tr>
<th>EXTRAORDINARY EVALUATION</th>
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<tr>
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</tr>
<tr>
<td>AS1</td>
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<tr>
<td>AS2</td>
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<tr>
<td>AS3</td>
</tr>
</tbody>
</table>
While the assessment criteria is the same as in ordinary assessment, the extraordinary final exam includes reasoning questions related to the macroeconomic report, as well as exercises (70%) and a multiple choice section (30%). Students who have not turned in their country reports during ordinary assessment must do so to pass the extraordinary assessment. The country report weights 1 point, out of 10, in the final grade. To pass the subject under extraordinary assessment, students need to obtain a minimum of 5 points (out of 10) and submit the macroeconomic report.

4.- DESCRIPTION OF ASSESSMENT SYSTEM:

<table>
<thead>
<tr>
<th>Assessment System</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written tests</td>
<td>Short answers test: true-false, multiple choice, and so forth, in written form.</td>
</tr>
<tr>
<td>Oral tests</td>
<td>Oral presentation of different topics, studies, cases, projects, and so forth.</td>
</tr>
<tr>
<td>Practical tests</td>
<td>Projects, exercises, cases and problems based on real and/or fictitious data, on topics related to the course.</td>
</tr>
</tbody>
</table>

7. COURSE SYLLABUS

1.- COURSE SYLLABUS:

THEORETICAL:

I. Short-Run Macroeconomics

Chapter 1. Market for Goods and Services
   1.1 GDP composition
   1.2. Demand for goods and services
   1.3. Equilibrium level of production
   1.4. Investment and Saving Equality
   1.5. Fiscal policy and the multipliers

Chapter 2. Financial Markets
   2.1. Demand for money
   2.2. Money supply and the Central Bank
   2.3. Equilibrium in the financial market

Chapter 3. IS-LM Model
   3.1. Investment function and the interest rate
   3.2. Equilibrium in the market for goods and services: the IS curve
   3.3. Equilibrium in the financial market: the LM curve
   3.4. IS-LM equilibrium
   3.5. Economic policies under the IS-LM framework

II. Medium-Run Macroeconomics

Chapter 4. The Labor Market
   4.1. Price equation
   4.2. Wage equation
   4.3. Natural rate of unemployment
Chapter 5. Aggregate Demand and Aggregate Supply Model
5.1. Aggregate demand
5.2. Aggregate supply
5.3. Equilibrium in the short and medium run
5.4. Economic policies in the AD-AS framework

6.1. The Balance of Payments
6.2. Nominal and real exchange rates
6.3. Relationship between exchange rates and interest rates
6.4. Saving, investment and the current account
6.5. The IS relation in the open economy: graphical analysis

PRACTICAL:
This is a theoretical-analytical subject and, as such, theoretical concepts are combined with exercises and projects, both inside and outside the classroom. Additionally, students will engage in activities related to questions and debates about readings of current macroeconomic events, as well as data analysis exercises.

8. BIBLIOGRAPHY

1.- BASIC BIBLIOGRAPHY:

2.- ADDITIONAL BIBLIOGRAPHY:

4.- WEB RESOURCES:
Data Sources, among others:
- European Central Bank: [www.ecb.int](http://www.ecb.int)
- Bank of Spain: [www.bde.es](http://www.bde.es)
- Instituto Nacional de Estadística: [www.ine.es](http://www.ine.es)
- International Monetary Fund: [www.imf.org](http://www.imf.org)
- OECD: [www.oecd.org](http://www.oecd.org)
9. ATTITUDE IN THE CLASSROOM

1.- REGULATIONS:

Students must behave properly and according to the School and University regulations in place. Besides on-time class attendance, students must show a proper participative attitude in the classroom and comply with required assignments. Any irregular act of academic integrity, including signing the attendance sheet for fellow students not present in class, will result in the student not being eligible for continuous assessment and possibly being penalized according to the University regulations.

Attempts to cheat and/or plagiarize are considered as a severe offence against University regulations. Such offences are subject to sanctions according to the University’s Student Regulations adopted on December 17th, 1997.

With the exception of cases of force majeure, once the assessment calendar is published on due time, assessment activities cannot be repeated.