

MACROECONOMICS

**Grado en Administración de Empresas / Bachelor in
Business Administration BBA SEP-2023 MACRO-NBA.2.M.A**

Area Economics

Number of sessions: 30

Academic year: 23-24

Degree course: SECOND

Number of credits: 6.0

Semester: 1º

Category: BASIC

Language: English

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GERARDO JACOBS ALVAREZ

Gerardo Jacobs holds a PhD in Economics from the University of Minnesota.

He is Professor of the Economics Department at Universidad Carlos III de Madrid and Adjunct Professor at IE University and at the Centro de Estudios Monetarios y Financieros (CEMFI).

He has been Professor at Vanderbilt University, and Visiting Professor at Kellogg School of Management (Northwestern University).

Courses Taught (Graduate and Undergraduate Programs): Money and Banking, Advance Topics in Microeconomics, Industrial Organization, International Trade, Mathematical Economics, International Finance, General Equilibrium Theory and Monetary Economics.

He was Head of the Department of Economics and ViceChancellor of Humanities at Universidad Iberoamericana (México). Outside academia, he was Senior Researcher at the Central Bank of Mexico, and Consultant of the Energy Regulatory Agency.

His academic research has been published in Academic Journals and Book Chapters.

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SUBJECT DESCRIPTION

Macroeconomics is the branch of economics that studies the behavior of the economy as a whole, as a single aggregate. It is science that seeks to identify what makes a country's economy dynamic and healthy and what can explain the troubles and instability sometimes experienced by others. We can consider as a healthy economy the one that experiences steady growth, full employment, low inflation, sound public finances and a balanced external sector. Therefore, the field of Macroeconomics is the one that helps understand, prevent, and eventually counteract, the reasons for low growth, high unemployment, sharp cyclical swings, and imbalances in the public and external sectors. Understanding these issues helps identify the potential role of governments to improve the health of their economies through public policies; it also helps assess the potential impact of inadequate macroeconomic policies.

Prevailing and prospective aggregate economic conditions should always be a key consideration when making all kinds of business decisions. The right business environment is a prerequisite for the success of any entrepreneurial projects, as well as for getting reasonable returns on any financial investment. This course is designed to provide students with the basic tools to understand real world economic developments and their consequences for business activity, and to help them make their own critical assessment regarding economic conditions and economic policies

LEARNING OBJECTIVES

2.1. OBJECTIVES

After completing this course, students should be capable of analyzing and understanding current economic events, of appraising the overall state of any economy, of identifying the reasons for its healthy or unhealthy state, and of making their own critical assessment regarding macroeconomic policies in place (often the subject of heated economic debates). For this, the course will develop the theoretical background that helps explain the links between the main macroeconomic aggregates, and it will do so with a strong focus placed on the practical implications of the underlying theory. Analytical treatment of the core theory will be kept as simple as possible, mainly supported by graphical analysis. Within the economics science, Macroeconomics is the discipline that remains more controversial when it comes to choose a single theoretical model that explains real life events. Students will be introduced to the main existing schools of thought and will be invited to assess for themselves the practical usefulness of the different theoretical approaches.

2.2. SKILLS

Students are expected to acquire the following skills:

Cognitive:

- Good understanding of the basic general equilibrium model and its applications
- Understanding the relationships among the main macroeconomic aggregates
- Knowledge of macroeconomic policy tools and options
- Understanding the relationship between economic policies and economic performance
- Knowledge of the main schools of thought in macroeconomics and understanding of their basic concepts and principles
- Familiarity with economic thinking and economic language
- Familiarity with official sources of economic data, serious sources of economic news and institutional sources of economic analysis

Instrumental:

- Use of basic models to analyze real life economic events and to make policy inferences
- Capacity to abstract and work with simplified versions of reality

- Familiarity with graphical analysis
- Ability to communicate economic arguments and economic analysis in precise and concise manner

Attitude:

- Think critically about the limits of economic theory and be able to question experts' assessments with sound arguments
 - Be open to different views and arguments regarding economic events (macroeconomic problems often have alternative solutions)
 - Take a broad and comprehensive approach for the analysis of economic issues (there is a very large number of factors interacting in the economy)
- After completing this course, students should be capable of analyzing and understanding current economic events, of appraising the overall state of any economy, of identifying the reasons for its healthy or unhealthy state, and of making their own critical assessment regarding macroeconomic policies in place (often the subject of heated economic debates). For this, the course will develop a theoretical background that helps explain the links between the main macroeconomic aggregates, and it will do so with a strong focus placed on the practical implications of the underlying theory. Analytical treatment of the core theory will be kept as simple as possible, mainly supported by graphical analysis. Within the economics science, Macroeconomics is the discipline that remains more controversial when it comes to choosing a single theoretical model that explains real life events. Students will be introduced to the main existing schools of thought and will be invited to assess for themselves the practical usefulness of the different theoretical approaches.
- Environmental, social and governance (public and corporate) issues will arise in the context of our daily debates regarding the performance of the economy of countries and the role of governments in economic life. Students will be encouraged to highlight sustainability concerns, to use economic tools to analyze the challenges involved, and to use economic analysis to identify appropriate answers.

TEACHING METHODOLOGY

Learning Activity	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	26.67 %	40.0 hours
Discussions	13.33 %	20.0 hours
Exercises in class, Asynchronous sessions, Field Work	13.33 %	20.0 hours
Group work	16.67 %	25.0 hours
Individual studying	30.0 %	45.0 hours
TOTAL	100.0 %	150.0 hours

PROGRAM

SESSION 1 (LIVE IN-PERSON)

A Tour of the Course

Other / Complementary Documentation: Syllabus and Assignments Instructions

Support material:

Syllabus

Assignments Instructions

SESSION 2 (LIVE IN-PERSON)

Building Economic Models

Course Slides and Problem Set

Book Chapters: Chapter 2 , O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 3 (LIVE IN-PERSON)

Key Macroeconomic Indicators

Book Chapters: Chapter 2 , O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 4 (LIVE IN-PERSON)

Key Macroeconomic Indicators

Book Chapters: Chapter 2 , O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 5 (LIVE IN-PERSON)

Aggregate Demand, Aggregate Supply and the Goods Market Equilibrium

Book Chapters: Chapter 3 , O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 6 (LIVE IN-PERSON)

Aggregate Demand, Aggregate Supply and the Goods Market Equilibrium

Book Chapters: Chapter 3 , O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 7 (LIVE IN-PERSON)

Aggregate Demand, Aggregate Supply and the Goods Market Equilibrium

Book Chapters: Chapter 3, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 8 (LIVE IN-PERSON)

Fiscal Policy and the Aggregate Demand Curve

Book Chapters: Chapter 22, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020

SESSION 9 (LIVE IN-PERSON)

Fiscal Policy, Budget Deficits and Public Debt

Book Chapters: Chapter 22 , O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 10 (LIVE IN-PERSON)

The Money Market: Supply, Demand and Equilibrium

Book Chapters: Chapter 4 , O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 11 (LIVE IN-PERSON)

The Money Market: Supply, Demand and Equilibrium

Book Chapters: Chapter 4, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 12 (LIVE IN-PERSON)

The Money Market: Supply, Demand and Equilibrium

Book Chapters: Chapter 4, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 13 (LIVE IN-PERSON)

Central Banks and Monetary Policy

Book Chapters: Chapter 23, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 14 (LIVE IN-PERSON)

Central Banks and Monetary Policy

Book Chapters: Chapter 23, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 15 (LIVE IN-PERSON)

Midterm Exam 1

SESSION 16 (LIVE IN-PERSON)

Short run equilibrium in Goods and Financial Markets: The IS-LM Model

Book Chapters: Chapter 5 , O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 17 (LIVE IN-PERSON)

Short run equilibrium in Goods and Financial Markets: The IS-LM Model

Book Chapters: Chapter 7, O. Blanchard, Macroeconomics 5th Edition, 2009 (Pearson)

Book Chapters: Chapter 5 & 6, O. Blanchard, Macroeconomics 5th Edition, 2009 (Pearson)

SESSION 18 (LIVE IN-PERSON)

The Open Economy

Book Chapters: Chapter 18, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 19 (LIVE IN-PERSON)

The Supply Side: The Labor Market

Book Chapters: Chapter 7, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 20 (LIVE IN-PERSON)

Prices and the Medium Run Equilibrium: the AS - AD Model

Book Chapters: Chapter 7, O. Blanchard, Macroeconomics 5th Edition, 2009 (Pearson) (CED)

SESSION 21 (LIVE IN-PERSON)

The Economy in the Long Run: The Facts of Growth

SESSION 22 (LIVE IN-PERSON)

The Economy in the Long Run: The Facts of Growth

Book Chapters: Chapter 10 and 11, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 23 (LIVE IN-PERSON)

The Story of Macroeconomics

Book Chapters: Chapter 24, O. Blanchard Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 24 (LIVE IN-PERSON)

Course Review with Case Study: The Euro and the Financial Crisis

Book Chapters: Chapter 1, 3, 6 and 23, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020

SESSION 25 (LIVE IN-PERSON)

Course Review with Case Study: The Euro and the Financial Crisis

Book Chapters: Chapter 1,3, 6 and 23, O. Blanchard, Macroeconomics Global Edition, 8th Edition, 2020 (See Bibliography)

SESSION 26 (LIVE IN-PERSON)

Course Projects

SESSION 27 (LIVE IN-PERSON)

Course Projects

SESSION 28 (LIVE IN-PERSON)

Course Projects

SESSION 29 (LIVE IN-PERSON)

Course Projects

SESSION 30 (LIVE IN-PERSON)

Second Midterm Exam

EVALUATION CRITERIA

ORDINARY

Your final grade in the course will be based on the following criteria:

criteria	percentage	Learning Objectives	Comments
Group Work	20 %		Debates
Participation	10 %		
Intermediate Tests	50 %		Two Midterms
Problem Sets	20 %		Problem Sets

RE-SIT / RE-TAKE POLICY

Passing the course will require a minimum average grade of 5/10 in the two midterms. Failing the course will mean retaking all the course material in the extraordinary call.

Up to ten extra points (over 100) can be awarded (bonus) or extracted (malus) for extraordinary contributions (+) or penalties for class missbehavior (-)

Participation: two main criteria will be used in reaching judgment about your participation, frequency and quality of your contributions. Participating in debates and in class practical exercises is compulsory. Lack of contribution in those activities will be graded as 0.

There will be **two midterm exams** worth 25% each. They will each cover about half of the course program. The exams will be in person.

Detailed instructions will be available in campus online by the beginning of the course regarding the **Term Project**.

Detailed instructions will be available in campus online by the beginning of the course Regarding **Learning Activities**.

RE-SIT / RE-TAKE POLICY

Each student has four (4) chances to pass any given course distributed over two (2) consecutive academic years. Each academic year consists of two calls: one (1) ordinary call (during the semester when the course is taking place); and one (1) extraordinary call (or “re-sit”) in June/July.

Students who do not comply with the 70% attendance requirement in each subject during the semester will automatically fail both calls (ordinary and extraordinary) for that Academic Year and have to re-take the course (i.e., re-enroll) during the next Academic Year.

The Extraordinary Call Evaluation criteria will be subject to the following rules:

- Students failing the course in the ordinary call (during the semester) will have to re-sit evaluation for the course in June / July (except those students who do not comply with the attendance rule, and therefore will not have that opportunity, since they will fail both calls and must directly re-enroll in the course during the next Academic Year).
- It is not permitted to change the format nor the date of the extraordinary call exams or deadlines under any circumstance. All extraordinary call evaluation dates will be announced in advance and must be taken into consideration before planning the summer (e.g. internships, trips, holidays, etc.)
- The June/July re-sit will consist of a comprehensive evaluation of the course. Your final grade for the course will depend on the performance in this exam or evaluation only. I.e., continuous evaluation over the semester (e.g. participation, quizzes, projects and/or other grade components over the semester) will not be taken into consideration on the extraordinary call. Students will have to achieve the minimum passing grade of 5 and the maximum grade will be capped at 8.0 (out of 10.0) – i.e., “notable” in the extraordinary call.
- Re-takers: Students who failed the subject on a previous Academic Year and are now re-enrolled as re-takers in a course will need to check the syllabus of the assigned professor, as well as contact the professor individually, regarding the specific evaluation criteria for them as re-takers in the course during that semester (ordinary call of that Academic Year). The maximum grade that may be obtained as a retaker during the ordinary call (i.e., the 3rd call) is 10.0 (out of 10.0).

After exams and other assessments are graded by the professor (on either the ordinary or extraordinary call), students will have a possibility to attend a review session (whether it be a final exam, a final project, or the final overall grade in a given course). Please be available to attend the session in order to clarify any concerns you might have regarding your grade. Your professor will inform you about the time and place of the review session.

- Students failing more than 18 ECTS credits after the June/July re-sits will be asked to leave the Program. Please, make sure to prepare yourself well for the exams in order to pass your failed subjects.
- In case you decide to skip the opportunity to re-sit for an exam or evaluation during the June/July extraordinary call, you will need to enroll in that course again for the next Academic Year as a re-taker, and pay the corresponding tuition fees. As you know, students have a total of four (4) allowed calls to pass a given subject or course, in order to remain in the program.

BIBLIOGRAPHY

Compulsory

- Olivier Blanchard. (2020). *Macroeconomics*. Eighth Edition - Global Edition. Pearson. ISBN 9781292351476 (Digital)

Textbook

Recommended

- N. Gregory Mankiw. (2019). *Macroeconomics*. 10th. Macmillan Learning. ISBN 1319243584 (Printed)

Recommended reading

- Robert. J. Gordon. (2013). *Macroeconomics*. 12th. Pearson. ISBN 1292022078 (Digital)

Recommended readings

- Paul Krugman and Robin Wells. (2018). *Macroeconomics*. 5th. Macmillan Learning. ISBN 1319181953 (Digital)

Recommended readings

- D. Miles, A. Scott and F. Breedon. (2012). *Macroeconomics, Understanding the Global Economy*. 3d Edition. Wiley. ISBN 9781119995715 (Printed)

BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

ATTENDANCE POLICY

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

ETHICAL POLICY

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.