

# MACROECONOMICS

**IE University**

Professor: **GERMAN RIOS MENDEZ**

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Academic year: 23-24

Degree course: FIRST

Semester: 2<sup>o</sup>

Category: BASIC

Number of credits: 6.0

Language: English

## PREREQUISITES

There are no mandatory prerequisites

## SUBJECT DESCRIPTION

Macroeconomics focuses on the economy as a whole. Macroeconomics addresses the following questions: What causes recessions? What makes unemployment stay high when recessions are supposed to be over? Why do some countries grow faster than others? Why do some countries have higher standards of living than others? Macroeconomics involves adding up the economic activity of all households and all businesses in all markets to obtain the overall demand and supply in the economy. Macroeconomics also studies government tools such as monetary and fiscal policies to affect growth, unemployment and inflation.

## OBJECTIVES AND SKILLS

We will study macroeconomics from three different perspectives:

What are the macroeconomic goals?

What are the frameworks economists can use to analyze the macroeconomy?

What are the policy tools governments can use to manage the macroeconomy?

Students will develop the following skills:

- Basic economic concepts including aggregate demand (AD) and aggregate supply (AS)
- How to analyze the drivers of economic growth
- How to analyze unemployment
- How to analyze inflation
- Understand the Neoclassical perspective
- Understand the Keynesian perspective
- How to analyze monetary policy including managing the money supply and interest rates
- How to analyze fiscal policy including changes in government spending/purchases and taxes

## METHODOLOGY

Basic economic concepts and theoretical tools will be taught in lectures and developed skills applied in practical activities covering real issues. Participation in class, discussions, exercises and group work will strengthen the learning process. Individual studying will be key to succeed in examinations.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	33.33 %	50 hours
Discussions	16.67 %	25 hours
Exercises	16.67 %	25 hours
Group work	16.67 %	25 hours
Other individual studying	16.67 %	25 hours
TOTAL	100.0 %	150 hours

## PROGRAM

### SESSIONS 1 - 2 (LIVE IN-PERSON)

The Macroeconomic Perspective

*Book Chapters: Principles of Macroeconomics 2e Chapter 6 (Required) (Book) (See Bibliography)*

### SESSIONS 3 - 4 (LIVE IN-PERSON)

Economic Growth

*Book Chapters: Principles of Macroeconomics 2e Chapter 7 (Required) (Book) (See Bibliography)*

### SESSIONS 5 - 6 (LIVE ONLINE)

Unemployment

*Book Chapters: Principles of Macroeconomics 2e Chapter 8 (Required) (Book) (See Bibliography)*

### SESSIONS 7 - 8 (LIVE IN-PERSON)

Inflation

*Book Chapters: Principles of Macroeconomics 2e Chapter 9 (Required) (Book) (See Bibliography)*

### SESSIONS 9 - 10 (ASYNCHRONOUS)

Additional readings, games and simulations

### SESSIONS 11 - 12 (LIVE IN-PERSON)

The International Trade and Capital Flows

*Book Chapters: Principles of Macroeconomics 2e Chapter 10 (Required) (Book) (See Bibliography)*

### SESSIONS 13 - 14 (LIVE ONLINE)

The Aggregate Demand/Aggregate Supply Model

*Book Chapters: Principles of Macroeconomics Chapter 11 (Required) (Book) (See Bibliography)*

### **SESSIONS 15 - 16 (LIVE IN-PERSON)**

Midterm exam

### **SESSIONS 17 - 18 (LIVE IN-PERSON)**

The Keynesian Perspective

*Book Chapters: Principles of Macroeconomics Chapter 12 (Required) (Book) (See Bibliography)*

### **SESSIONS 19 - 20 (LIVE IN-PERSON)**

The Neoclassical Perspective

*Book Chapters: Principles of Macroeconomics Chapter 13 (Required) (Book) (See Bibliography)*

### **SESSIONS 21 - 22 (LIVE IN-PERSON)**

Money and Banking

*Book Chapters: Principles of Macroeconomics Chapter 14 (Required) (Book) (See Bibliography)*

### **SESSIONS 23 - 24 (ASYNCHRONOUS)**

Additional readings, games and simulations

### **SESSION 25 (LIVE IN-PERSON)**

Monetary Policy and Bank Regulation

*Book Chapters: Principles of Macroeconomics Chapter 15 (Required) (Book) (See Bibliography)*

### **SESSION 26 (LIVE ONLINE)**

Exchange Rates and International Capital Flows

*Book Chapters: Principles of Macroeconomics Chapter 16 (Required) (Book) (See Bibliography)*

### **SESSION 27 (LIVE IN-PERSON)**

Government Budgets and Fiscal Policy and The Impacts of Government Borrowing

*Book Chapters: Principles of Macroeconomics Chapter 15 and 18 (Required) (Book) (See Bibliography)*

### **SESSION 28 (LIVE IN-PERSON)**

Macroeconomic Policy Around the World

*Book Chapters: Principles of Macroeconomics Chapter 19 (Required) (Book) (See Bibliography)*

### **SESSIONS 29 - 30 (LIVE IN-PERSON)**

Final Exam

## BIBLIOGRAPHY

### Compulsory

- Greenlaw, Steven et al. *Principles of Macroeconomics 2e*. openstax. ISBN 9781680920987 (Digital)

This book is available in an online version only and can be acquired via:  
<https://openstax.org/details/books/principles-macroeconomics-ap-courses-2e>

### Recommended

- Krugman, Paul and Robin Wells. *Macroeconomics*. ISBN 9781319320195 (Digital)

- Pineda, José, et.al.. *Macroeconomics and Natural Resources: Preliminary Edition*. KendallHunt. ISBN 9781792440403 (Digital)

## EVALUATION CRITERIA

The assessment methods will be a midterm and a final exam in which students will apply their knowledge of the subject to concrete issues, an individual essay related to current macroeconomic problems and a group project to address a global matter using the tools acquired during the term.

Criteria	Percentage	Comments
Final Exam	30 %	It will be a written or online test. It will have multiple-choice questions and essay questions
Intermediate Tests	30 %	Midterm. It will be a written or online test. It will have multiple-choice questions and essay questions
Individual Work	20 %	Individual Assignment. It will be a paper of no more than 1000 words on a topic covered in the course
Workgroups	20 %	Group Assignment and presentations of a global issue or public policy related to the content of the course

### GENERAL OBSERVATIONS:

Each student has four attempts over two consecutive academic years to pass this course. For every BIR Program mandatory class aside from the IR Unplugged and BIR Electives, students are required to obtain the minimum grade of 5 required to pass the course. Students whose grade in the Final Exam (or the largest assignment) is below 5 will fail the course. The rule applies to whichever assignment carries the greatest weight to the final grade. Dates and location of the final exam will be posted in advance and will not be changed. Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt must contact the professor during the first two weeks of the course.

The Bachelor's in International Relations pursues to develop the knowledge, skills and attitudes for bringing transformative and sustainable change in today's world. Therefore, all the courses follow the principles of sustainability and diversity. Firstly, this course considers the agenda 2030 and builds upon the Sustainable Development Goals 8, 9 and 10. Secondly, this course is committed to an inclusive learning environment and looks to be enriched and enhanced by diversity along numerous dimensions, including race, ethnicity and national origins, gender and gender identity, sexuality, class and religion.

### **ATTENDANCE:**

In-person attendance is mandatory at IE University, as it is an essential factor of IE's learning methodology. While we do closely monitor attendance in each course, we also consider our students responsible for their own agenda and commitments, as adult university students. With that in mind, each student may miss up to 30% of the sessions within a given course and still maintain the possibility of passing that given course. This 30% "buffer" is to be used for any absences, such as: illnesses, personal emergencies, commitments, official/governmental matters, business and/or medical appointments, family situations, etc. Students should manage their various needs, and situations that may arise, within that 30% buffer. If a student is absent to more than the allowed 30% of the sessions (regardless of the reason), s/he will obtain a 0.0 grade for that course in both the ordinary and extraordinary calls of the current academic year, and s/he will have to retake the course during the following academic year.

Please pay close attention to your attendance. The program strongly encourages attending 100% of the sessions as it will improve your learning outcomes, it will increase the class performance and it will benefit your participation grade. Noncompliance with deadlines for Non-Classroom Learning activities or assignments will result in an absence for the session.

Extreme cases involving emergencies such as; extended hospitalizations, accidents, serious illnesses and other cases of force majeure; are to be consulted with the Program Management ([bir.biemadrid@ie.edu](mailto:bir.biemadrid@ie.edu)) for assessment of the situation and corresponding documentation, in order to support and guide each student optimally.

For more information about the university attendance policy, please check; <https://www.ie.edu/student-guide/bir/policies-and-guidelines/attendance/>

### **THIRD CALL RETAKE POLICY**

Any student in their third call of a course, also known as a "Retaker", is obliged to observe the following rules:

- Third call students must contact their professors before or during the first session to ask which work and or \*sessions will be required to obtain a passing grade. The professor will determine which work will be required in their course.

\*(e.g. when presenting group work, sitting for examinations or other work done in class)

- Retakers are exempt from failing the call due to absences; however, they are not exempt from work the professor designates as necessary to obtain a passing grade. This means some sessions may be mandatory to attend in order to complete the work within.

- Students in their third call are responsible for managing the conflicts in their schedule, should students need advice on how to manage their conflicts they should visit the program office.

### **EXTRAORDINARY EXAMINATION POLICY:**

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

The retakes will consist of a comprehensive exam or equivalent assignment. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.

Dates and location of the retakes will be posted in advance and will not be changed.

The exam/assignment will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10.

### **PLAGIARISM / ACADEMIC HONESTY:**

Plagiarism is the dishonest act of presenting another person's ideas, texts or words as your own. This includes in order of seriousness of the offense:

providing faulty sources;

copy-pasting material from your own past assignments (self-plagiarism) without the instructor's permission;

copy-pasting material from external sources even while citing them;

using verbatim translations from sources in other languages without citing them;

copy-pasting material from external sources without citing them;

and buying or commissioning essays from other parties.

IEU students must contact the professor if they don't know whether the use of a document constitutes plagiarism. For help with your academic writing, contact the Writing Center ([writingcenter@faculty.ie.edu](mailto:writingcenter@faculty.ie.edu)). The professor will also advise the student on how to present said material. All written assignments must be submitted through Turn-it-in, which produces a similarity report and detects cases of plagiarism. Professors are required to check each student's academic work in order to guarantee its originality. If the originality of the academic work is not clear, the professor will contact the student in order to clarify any doubts. Students using external tutorial support should report it to the professor and the BIR Program from the moment they began receiving this support. In the event that the meeting with the student fails to clarify the originality of the academic work, the professor will inform the Director of the Bachelor Program about the case, who will then decide whether to bring the case forward to the BIR Academic Review Panel. Very high similarity scores will be automatically flagged and forwarded to the Academic Review Panel. Plagiarism constitutes a very serious offense and may carry penalties ranging from getting a zero for the assignment to expulsion from the university depending on the severity of the case and the number of times the student has committed plagiarism in the past.

### **PROFESSOR BIO**

Professor: **GERMAN RIOS MENDEZ**

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#### **GERMAN RIOS MENDEZ**

Germán Ríos Méndez received a Bachelor of Arts in Economics from Universidad Central de Venezuela, a Master of Arts in Economics from Johns Hopkins University, a Master of Business Administration from the Instituto de Estudios Superiores de Administración (IESA), and a Master of Philosophy in Economics from George Washington University. He has taught macroeconomics, fiscal policy, cost-benefit analysis, economic development, Latin America economics and microeconomics in several universities in Venezuela, the United Kingdom, Spain and the United States.

During the academic year 2010-2011 he was the Andres Bello Fellow at the Latin American Centre of the University of Oxford. Professor Ríos was part of the Venezuelan research team in the project “Understanding Reforms” sponsored by the Global Development Network, published by Palgrave, and is co-author of the textbooks “Macroeconomics and Oil”, published by Pearson/Prentice Hall and “Macroeconomics and Natural Resources” published by Kendall Hunt.

Germán Ríos is Senior Partner at Atrevia and Senior Analyst at OHM Research Independent Insight. Previously he was Corporate Director of Strategic Affairs at CAF, development bank of Latin America. He served as Director of Public Investment at the Ministry of Planning of Venezuela, and as a Country Analyst for Brazil, Chile, Uruguay and Paraguay at the World Bank. Mr. Ríos has worked as a consultant for the Inter-American Development Bank and the United Nations Economic Commission for Latin America (ECLAC). Office

LinkedIn: <https://www.linkedin.com/in/grios/>

## **OTHER INFORMATION**

Office hours available by appointment. Please send me an email: [grios@faculty.ie.edu](mailto:grios@faculty.ie.edu)

### **CODE OF CONDUCT IN CLASS**

1. Be on time. Students arriving more than 5 minutes late will be marked as “Absent”. Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor). Students attending online must always have their cameras on during the session or risk being marked absent.
2. If applicable, bring your name card and strictly follow the seating chart. It helps faculty members and fellow students learn your names.
3. Do not leave the room during the lecture: Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter and, therefore, will be marked as “Absent”. Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).
4. Do not engage in side conversation. As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class. If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as “Absent”.
5. Use your laptop for course-related purposes only. The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as “Absent”.
6. No cellular phones: IE University implements a “Phone-free Classroom” policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.
7. Escalation policy: 1/3/5. Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as “Absent.” IE University implements an “escalation policy”: The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as

three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.

