

Syllabus

Course: Macroeconomics

Credits: 6 ECTS

Program: ADE

Module: Economics

Subject: Basic subject

Code: 802603

Abbreviation: MA06

Subject Coordinator: Samer Ajour

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01 Faculty

01.1 Subject Coordinator

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02 Presentation

02.1 Description

Your BBA studies aim to form professionals who are able to manage and lead companies or other public or private organizations, or start their own business. As such, those with a degree should understand and apply theoretical terms and concepts to the practice of the different areas of an organization and comprehend the relationship between different departments and functions. Moreover, they can tie the various objectives to the general mission and vision of the organization, make suitable decisions in challenging situations and be capable to manage successfully.

This course will help you to examine economic perspectives, methods, and macroeconomic theories in particular. While dealing with available concepts, such as GDP, Inflation or Unemployment, Current account, Aggregate D and S, among others, the course will also aid you to compare these theories with those general practices and practical tools that are useful for country and regional leaders in their strategic decisions regarding fiscal and monetary policies.

02.2 Relevant Professional Applications

The classes will provide you with those basic economic skills and processes that can help you to accomplish more successfully different tasks of academic, professional, and civic fields.

03 Competencies

03.1 Basic Competencies

- CB1-** Students will demonstrate knowledge of their area of study which is based in, and yet surpasses, general secondary school education. While knowledge will be acquired primarily via advanced textbooks, students will also demonstrate aspects that imply vanguard knowledge of their field of study.
- CB2-** Students will know how to apply acquired knowledge to their work or specialized activities in a professional manner and will possess skills such as problem solving along with the ability to defend and develop thesis within their area of study.
- CB3-** Students will demonstrate the ability to gather and interpret relevant data (usually within their area of study) and contribute an informed opinion which includes reflections on relevant social, scientific or ethical issues.
- CB4-** Students will be able to communicate information, ideas, problems and solutions to an expert and non-expert audience.

03.2 Specific Competencies

- CEECO01 –** Knowledge of the most relevant macroeconomic concepts and rules and their application on national and regional economies
- CEECO02 –** Conceptual knowledge and understanding of how the aggregate economy works; Understanding the importance of *Efficiency, Equity and Economic growth* in the functioning and interrelation of the Product, Labor, and Capital markets
- CEECO03 –** Comprehend the measurement tools and indicators used for market analysis in the three major markets and apply them in the macroenvironmental analysis

- CEECO04** – Critical interpretation and evaluation of economic cycles and structures of a specific geographic area; Use of adequate forecasting tools for predicting future economic behavior of national or regional economies;
- CEECO05** – Understanding the decision-making processes of different economic agents based on macroeconomic reasoning; identify and analyze fiscal and monetary policies and their role in economic cycles
- CEECO06** – Application of theoretical knowledge and analytical methods & tactics in the resolution of economic exercises and problems - Identify macroeconomic problems and find viable fiscal or monetary solutions for them
- CEECO07** – Develop the ability to describe and analyze the economic reality from a rational perspective and develop capacity to evaluate different economic scenarios
- CEECO08** – Understanding and analytical use of economic terms and concepts; development of critical and reflexive analytical methods to conceptualize the material and understand its practical application
- CEECO09** – Develop working in groups.

03.3 General Competencies

- CG02-** Students will show the ability to communicate orally and in writing on the results of learning, applied logic and decision-making processes and show the ability to participate in debates on relevant topics.
- CG04-** Students will be able to manage acquiring, structuring, analyzing and visualizing data in their field of study and critically assess the results of these management.
- CG09-** Students will show an ability to understand the behavioral and technical aspects of firms and organizations, labour standards and the relationships between planning, industrial and commercial strategies, quality control and profits.

03.4 Transversal Competencies

- CT04-** Students will be able to manage analysis and visualization of data in their field of study and critically assess the results of this management.
- CT05 -** Assess the macroenvironmental situation and foreseeable evolution of an organization from the relevant information records.
- CT06-** Students will display the ability to identify obstacles and opportunities in their learning processes and propose improvements and develop strategies or solutions in a responsible and autonomous manner. Student will demonstrate planning and organizational skills which achieve objectives within the established deadlines and, at the same time, produce quality work, in a clear and orderly fashion, via effort, perseverance and a desire for personal and professional growth.
- CT08-** Student will show sophisticated analytical abilities being able to dissect problems and premises while investigating the relationships between them by identifying implications and consequences in order to judge consistency.
- CT10 -** Regularly use Information and Communication Technologies (ICT) in all their professional performance
- CT11 -** Apply to the analysis of problems, professional criteria based on the application of advanced techniques and tools.

04 Program

1) The economic environment of the company

Income flows and GDP; Inflation; Unemployment; the company and the money; the financial system.

2) The Goods Market

The composition of GDP; the demand for goods; the "equilibrium production"; the investment-saving ratio.

3) The financial markets

The demand for money; the determination of the interest rate; the "liquidity trap"; nominal vs real interest rate; risk and risk premium; Financial intermediaries.

4) The IS-LM Model

The goods market and the IS relationship; financial markets and the LM relationship; the IS-LM model; policy mix; IS-LM model extension.

5) The labor market

Global vision of the labour market; Indicators; determination of wages; determination of prices; the natural rate of unemployment.

6) The Phillips curve, the natural rate of unemployment and inflation

Inflation, expected inflation and unemployment; the Phillips curve and its mutations; the Phillips curve and the natural rate of unemployment.

7) The IS-LM-PC model

The IS-LM-PC model; Okun's Law; the dynamics and balance in the medium term; fiscal consolidation.

8) Expectations

Expectations and decisions; monetary policy, expectations and production; deficit reduction, expectations and production.

9) The Open Economy

Opening of the goods market; SI in an open economy; balance and trade balance; opening of the capital market; the balance of payments.

10) Economic policy

Fiscal policy; the government budget constraint: deficit, debt, spending and taxes; Monetary politics; the optimal rate of inflation.

11) Application of Corporate Social Responsibility in the business management to ensure a better sustainable community and continuity in the awareness of its importance.

05 Teaching Method

Considering the characteristics of the subject, both theoretical and practical; and the profile of the students, the learning design of the subject has been articulated around three groups of methodologies:

- ME1.** Interactive class presentations
- ME3.** Independent work
- ME4.** Case study/problem solving based learning

06 Learning Activities

The following learning activities are undertaken in line with competencies stipulated for this subject and consistent with the teaching methodologies proposed:

| Evaluation activities | Hours | On-site delivery |
|---|--------------|-------------------------|
| AF1. Content exposition with student participation | 24 | 100% |
| AF2. Problem solving exercises and case studies with student participation | 24 | 100% |
| AF4. Study and preparation of teaching units | 44 | 0% |
| AF5. Completion of exercises and case studies | 25 | 0% |
| AF6. Systematic resolution of problems | 25 | 0% |
| AF13. Written / oral evaluations | 8 | 100% |

07 Assessment

| Assessment Item | Assessed Specific skills | Weight |
|--|---|--------|
| EV1. Final written exam on the entirety of the subject studied | CEECO02, CEECO03 CEECO04, CEECO05 CEECO06, CEECO07 CEECO08 | 40% |
| EV2. Mid-term written test | CEECO03, CEECO04 CEECO06, CEECO07 | 20% |
| EV3. Exercises, problems, reporting, homework - Exercises and problems - Statistical report of a business case | CEFIN03, CEFIN04 CEFIN06, CEFIN07 CEECO08, CEECO09 | 40% |

"The maximum grade that students will be able to obtain in the revaluation tests [...] shall be 5,0. In addition, "the grade of the revaluation tests shall in any case constitute the final grade of the subject". Thus, **only students who, having completed the midterm exam, the final exam and having carried out 100% of the continuous evaluation activities of the subject**, and have suspended (final grade of the subject below 5) will be entitled to the revaluation examination.

08 Learning Resources

| Subjects | Resources | Type |
|-------------|-----------------------------------|----------------------|
| Units 1 - 5 | Class Slides, notes and exercises | Class and Blackboard |

09 Code of Academic Conduct

The section 27.2 of the Universal Declaration of Human Rights stipulates that everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

Thus, the moral and patrimonial rights of the authors of literary, musical, artistic, scientific and academic creations, whether they have been published or not, are protected by means of different national and international regulations. In the case of Spain, the Legislative Royal Decree 1/1996, of April the 12th, approved the consolidated version of the Law of Intellectual Property, regularizing, clarifying and harmonizing the legal provisions for the time being in force on this matter.

In this respect, special attention must be given to previously obtaining the corresponding authorization from the owner of the copyrights of any material, particularly before its distribution to the students and by means of the virtual campus. EAE Barcelona takes no responsibility for the non-compliance with this rule on the part of the users, either members of the teaching community or students.

The following materials that can be duplicated without the requirement of previous authorization:

- Laws and regulations.
- Court decisions.
- Acts, agreements, deliberations and decisions from public bodies.
- Any material distributed under the Creative Commons license, whenever its author and credits are mentioned.
- Any material published under the ISBN of EAE Barcelona or EAE Madrid.
- Any material, whose rights belong to EAE Barcelona or EAE Madrid.
- Any work that is in the public domain.

Furthermore, the quotation right is the inclusion of extracts from protected documents or materials, in this particular case, elaborated by the members of the teaching community- with the exception of textbooks and university handbooks- when such extracts are used to accompany educational activities.

The excerpts that can be used on the basis of the quotation right must fulfil the following requirements

- **They must be previously published works.**
- **The source and author must be mentioned, whenever it is possible.**
- **They must deal exclusively with the teaching field.**
- **The inclusion of the excerpt must necessarily come with an analysis or explanation of it.**

Concerning the material elaborated by the professors, in case it has been previously published, the agreements with the magazine or publication where it appeared must be considered.

As is apparent from the preceding paragraphs, plagiarism is a fraudulent activity that may result in serious sanctions, both of academic and legal nature. Academic honesty is one of the pillars on which the School's commitment to education is based, and the members of its teaching community are particularly conscious and prepared to perceive this kind of actions. Keeping in mind the difficulty that arises when trying to conceptualize plagiarism, it has been considered appropriate to delimitate clearly its contents and significance in these regulations and policies.

Plagiarism is understood as the appropriation of someone else's works, pretending that they are one's own; that is to say, without explicitly confirming its source. Plagiarism can consist on the complete or partial unauthorized copy of someone else's work, or the presentation of a copy as an original own work, impersonating the true author. Some examples of plagiarism are:

- Presenting someone else's work as one's own, regardless of whether the copy is complete or partial.
- Paraphrasing a text using different words, with small changes in the language, without quoting the source in order to feign.
- Purchasing or obtaining a work and presenting it as one's own.
- Using someone else's ideas or sentences as the basis to write a work without quoting its author.

In line with the section 10 of the Academic Code of Conduct of Students of EAE Barcelona, without prejudice to the academic sanctions resulting from its application, the Academic Commission will promote the pertinent legal actions if the plagiarism violates the applicable regulation in matters of intellectual property.

10 Bibliography

10.1 Basic bibliography

- Macroeconomics plus Pearson MyLab Economics with Pearson eText, Global Edition, 10th Edition, Abel, Bernanke & Croushore, Pearson, 2021

10.2 Complementary bibliography

- Taylor L. Reconstructing macroeconomics. Harvard University Press; 2021 Jul 5.
- Barrdear J, Kumhof M. The macroeconomics of central bank digital currencies. *Journal of Economic Dynamics and Control*. 2021 May 15:104148.
- Kubota S. The macroeconomics of COVID-19 exit strategy: The case of Japan. *The Japanese Economic Review*. 2021 Oct;72(4):651-82.
- Jaimovich, N., Saporta-Eksten, I., Siu, H. and Yedid-Levi, Y., 2021. The macroeconomics of automation: Data, theory, and policy analysis. *Journal of Monetary Economics*, 122, pp.1-16.