Universidad Zaragoza

Academic Year/course: 2024/25

61341 - Employment, Credit and Prices in Macroeconomic Perspective

Syllabus Information

Academic year: 2024/25
Subject: 61341 - Employment, Credit and Prices in Macroeconomic Perspective
Faculty / School: 109 - Facultad de Economía y Empresa
Degree: 525 - Master's in Economics
ECTS: 3.0
Year: 1
Semester: Second semester
Subject type: Optional
Module:

1. General information

The subject is aimed at providing students with an understanding of the nature of the frictions generated by the cycles and the difference between the real world and the one that would occur with flexible markets.

They are made aware that these frictions exist, that it is necessary to know their consequences and to find ways to limit the most negative ones using the corresponding treatment. The most important are those that extend their consequences to the long term.

2. Learning results

The student, in order to pass the subject, must demonstrate:

-They is familiar with the phenomena behind price rigidity and frictions in the goods, labour and credit markets.

-They is capable of explaining the consequences of rigidity and frictions in the short term in these markets, as well as the consequences for the whole economy.

- They can notice when there will also be long-term consequences depending on the circumstances and clearly describe what they are.

- That policy measures can be found to avoid the most negative aspects of rigidities.

3. Syllabus

1. Presentation of the subject

2. Rigidities in the labour market

Efficiency wages

Unions

Matching function

3. Frictions in the credit market

The importance of bank activity in macroeconomic performance

Asymmetric information

Costly verification

Costly execution of contracts

Credit rationing and collateral

Financial intermediation model

4. Price and wage escalation

Imperfect competition and staggering of prices and wages

Wage staggering and wage rigidities with non-zero trend inflation: short and long term

5. Integration of the three types of rigidities in a non-stationary DSGE model.

4. Academic activities

The learning process consists of a combination of theoretical exposition by the teacher with the active participation of the student in the different topics under study. The student will have to prepare readings, problems or works proposed by the teacher for some classes.

In the learning process, the student's study and individual effort are necessary to solve the practical exercises periodically.

Classes are scheduled to be face-to-face. However, if necessary for health reasons, classes may be taught in a blended or online format.

5. Assessment system

The student must demonstrate achievement of the intended learning results through the following assessment activities:

Works done, presentation of works and class participation: 50%.

Final exam: 50%

In accordance with the provisions of the UZ Evaluation Regulations, there will be the possibility of a global assessment test.

It is foreseen that all tests will be carried out in person, but if health circumstances require it, they will be carried out in a blended or online manner.

6. Sustainable Development Goals

4 - Quality Education
9 - Industry, Innovation and Infrastructure