

## 27430 - Macroeconomics IV

### Información del Plan Docente

Academic Year	2018/19
Subject	27430 - Macroeconomics IV
Faculty / School	109 - Facultad de Economía y Empresa
Degree	417 - Degree in Economics
ECTS	6.0
Year	4
Semester	Second semester
Subject Type	Compulsory
Module	---

### 1.General information

#### 1.1.Aims of the course

#### 1.2.Context and importance of this course in the degree

#### 1.3.Recommendations to take this course

### 2.Learning goals

#### 2.1.Competences

#### 2.2.Learning goals

#### 2.3.Importance of learning goals

### 3.Assessment (1st and 2nd call)

#### 3.1.Assessment tasks (description of tasks, marking system and assessment criteria)

### 4.Methodology, learning tasks, syllabus and resources

#### 4.1.Methodological overview

#### 4.2.Learning tasks

#### 4.3.Syllabus

#### Part 1: Open economy:

#### Lesson 1: Open economy models

### 1.- INTRODUCTION

Behaviour functions of the foreign sector and equilibrium conditions

Exchange rate and capital mobility regimes

The small country hypothesis

### 2.- MUNDELL-FLEMING MODEL

Equations of the model

Functions for the resolution and utilization of the model

Results of the model depending of the regimes of exchange rate and capital mobility

### 3.- PURCHASING POWER PARITY HYPOTHESIS

### 4.- DORNBUSCH'S OVERSHOOTING MODEL

### 5.- BUTTER-MILLER'S MODEL

## Part 2: Business cycles:

### Lesson 2: Competitive business cycles

1.- COMPETITIVE BUSINESS CYCLES MODELS: The new classical macroeconomy and the real business cycles

2.- THE NEW CLASSICAL MACROECONOMY AND THE HYPERINFLATIONS

3.- SPECULATIVE BUBBLES AND THE BUSINESS CYCLES

4.- RATIONAL EXPECTATIONS AND LEARNING

5.- ECONOMIC POLICY ASPECTS. Dynamic inconsistency and reputation

6.- BLANCHARD'S MODEL OF LIMITED RATIONALITY

### Lesson 3: Business cycles with rigidities in the markets: good markets

## 27430 - Macroeconomics IV

1.- CAUSES OF THE PRICE STICKINESS IN THE GOOD MARKET: Staggered contracts, imperfect competition and menu costs

2.- AN ILLUSTRATION OF THE BUSINESS CYCLES ORIGINE WITH STAGGERED PRICES AND IMPERFECT COMPETITION.

3.- CALVO'S STAGGERED PRICE MODEL

4.- THE CURRENT MONETARIA POLITICY AND THE TAYLOR RULE

### **Lesson 4: : Business cycles with rigidiities in the markets: labour market**

1.- STICKY PRICES IN THE LABOUR MARKET: Efficiency wages

2.- TAYLOR`S MODEL OF STAGGERED WAGES

3.- OTHER MODELS OF STAGGERED WAGES

4.- EQUILIBRIUM UNEMPLOYMENT RATE: The dynamics of the vacants and the Beveridge curve. The matching function.

### **Part 3: Economic growth:**

#### **Lesson 5: Economic growth models**

1. THE RAMSEY MODEL

1.1. The Ramsey model without technical progress

1.2. The Ramsey model with technical progress

2. ONE SECTOR ENDÓGENOUS GROWTH MODELS: Externalities and AK models

2.1. Romer model with capital externality

2.2. Barro model of public expenditure

3. TWO SECTORS ENDÓGENOUS GROWTH MODELS

3.1. Human capital: The Lucas model

## **27430 - Macroeconomics IV**

3.2. Research and development: The technological change model of Romer

**4.4.Course planning and calendar**

**4.5.Bibliography and recommended resources**