

61341 - Employment, Credit and Prices in Macroeconomic Perspective

Syllabus Information

Academic Year: 2019/20

Subject: 61341 - Employment, Credit and Prices in Macroeconomic Perspective

Faculty / School: 109 -

Degree: 525 - Master's in Economics

ECTS: 3.0

Year: 1

Semester: Second semester

Subject Type: Optional

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

The methodology followed in this course is oriented towards achievement of the learning objectives. A wide range of teaching and learning tasks are implemented, such as lectures, student participation, autonomous work (preparation of lectures, problems, or essays, study).

4.2.Learning tasks

The course includes the following learning tasks:

- Lectures (20 hours): compulsory attendance
- Autonomous work (45 hours): coursework, homework, study
- Presentation and discussion of coursework and homework (10 hours): compulsory attendance

4.3.Syllabus

The course will address the following topics:

Topic 1. Presentation and introduction

1.1. Content of the course

1.2. The context of the macroeconomic problems to be tackled

Topic 2. Rigidities in the labor market

2.1. Efficiency wages

2.1. Unions, insiders- outsiders, wages and employment

2.3. Matching function, vacants and unemployment in the short and in the long-run

Topic 3. Financial frictions in the credit market

3.1. The importance of the credit activity in the macroeconomic evolution: credit channel and endogenous money

3.2. Asymmetric information

3.3. Costly state verification

3.4. Costly enforcement of contracts

3.5. Credit Rationing and collaterals

3.6. Financial intermediation model

Topic 4. Staggered prices and wages

4.1. Imperfect competition

4.2. Staggered contracts and price rigidities

4.3. Staggered contracts and wage rigidities

4.4. Effects of a non-zero trend inflation

Topic 5. Integrating the three types of frictions in a non-stationary DSGE model

5.1. A non- stationary DSGE model with unemployment

5.2. A non- stationary DSGE model with financial frictions

5.3. A non- stationary DSGE model with unemployment and financial frictions

4.4.Course planning and calendar

Provisional calendar of sessions:

- Session 1. Presentation and introduction
- Session 2. Labor market. Efficiency wages
- Session 3. Labor market. Unions
- Session 4. Matching function
- Session 5. Homework presentation
- Session 6. Banks. Introduction. Assymmetric information
- Session 7. Banks. Costly state verification and costly enforcement
- Session 8. Homework presentation
- Session 9. Banks. Credit rationing and collaterals. Financial intermediation
- Session 10. Staggering and rigidities in prices and wages. Short run
- Session 11. Staggering and rigidities in prices and wages. Long run
- Session 12. Homework presentation
- Session 13. Effects of a non-zero trend inflation in DSGE models. Integration of structural unemployment and banks activity
- Session 14. Homework presentation
- Session 15. Exam

4.5.Bibliography and recommended resources

- Blanchard, Olivier. Lectures on macroeconomics / Olivier Jean Blanchard and Stanley Fischer . - 11th. ed. Cambridge (Massachussets) ; London : MIT Press, 1998
- Freixas, Xavier. Economía bancaria / Xavier Freixas, Jean-Charles Rochet ; traducción de Ma. Esther Rabasco y Luis Toharia Madrid : Antoni Bosch, D.L. 1999