

**COURSE DATA****DATA SUBJECT****Code:** 36120**Name:** Macroeconomics I**Cycle:** Undergraduate Studies**ECTS Credits:** 6**Academic year:** 2025-26**STUDY (S)**

Degree	Center	Acad. year	Period
1316 - Degree in Economics	Facultat d'Economia	2	First quarter

SUBJECT-MATTER

Degree	Subject-matter	Character
1316 - Degree in Economics	Macroeconomics	COMPULSORY

COORDINATION

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SUMMARY

Macroeconomics is the field of economics that studies the determination of the main aggregate variables, such as output, inflation, unemployment, etc. The macroeconomic approach takes these variables as being the result of actions taken by households, firms and governments across all the markets in the economy. These variables are thought of as equilibrium prices and quantities in such markets. This is the general equilibrium nature of macroeconomics. Thus, emphasis will be placed on understanding how these different markets work and how they interact with each other. The way markets work depends on the time perspective with which we look at them. Most macroeconomic phenomena are associated with the passage of time. This is the dynamic feature of macroeconomics. More than in any other field in economics, macroeconomists disagree about the causes of the observed outcomes. These debates are based on different views of the way markets adjust, as well as on different interpretations of the available evidence. This is important because these different views are the basis of alternative actions taken by governments to tackle economic problems. Controversies are intrinsic to macroeconomics.

This course covers the theory of modern macroeconomics. The aim of the course is to equip students with an understanding of how markets work in generating the observed macroeconomic outcomes and to provide them with a grasp of macroeconomic analysis at the intermediate-level using graphical techniques.

After an introductory topic, Topic 1 reviews the theory of aggregate supply and demand under price flexibility, both in the closed as well as in the open economy case. The macroeconomics of the long run is a



straightforward extension of the topics studied in Intermediate Microeconomics and gives us a glimpse of how the main aggregate variables are determined in a market-clearing, frictionless economy. In this setting there is a clear separation between the determinants of real and nominal variables: the "classical dichotomy." Basically, output, employment and relative prices, including the real interest rate and the real exchange rate, are independent of the amount of money, which only determines long-run inflation.

In the short run though, output, unemployment and inflation fluctuate around their long-run values. Topics 2, 3 and 4 lay out the basic tenets of short-run macroeconomics. Labor and product market frictions induce firms to supply more output when nominal demand rises. We study how these frictions destroy the "classical dichotomy" and give a prominent role to demand management (fiscal and monetary) policies. Then, we look in detail into how goods and financial markets interact to generate the aggregate demand curve (IS-LM), both in the closed and in the small open economy.

Topic 5 brings the analysis of the aggregate demand and supply in the short and long run into a unified framework. This is the canonical macroeconomic model that can be used to analyze the effect of shocks and policies on the main aggregate variables of interest: output, inflation, interest rate, etc.

The course combines both lectures and classes. The exercises to be discussed in the classes are an integral part of the course. The final exam will contain both theory questions and exercises.

The subject Macroeconomics I can contribute to the development of various specific Sustainable Development Goals (SDGs) through its academic content. In particular, the following objectives can be developed. SDG1: No poverty, as the impact of fiscal and monetary policies on income is analyzed. SDG8: Decent work and economic growth, by studying the determinants of economic growth and strategies to reduce unemployment. SDG10: Reduced inequalities, by analyzing in a basic aggregate supply and demand model how different economic policies affect income and its distribution.

PREVIOUS KNOWLEDGE

RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE

There are no specified enrollment restrictions with other subjects of the curriculum.

OTHER REQUIREMENTS

Since the course mainly uses formal analytical frameworks and simple models, often supported by graphical analysis, the student must be well-versed in and able to confidently use these analytical tools. It is also important that they are familiar with statistical and qualitative information related to macroeconomic issues, and capable of assimilating and interpreting commonly disseminated data.

COMPETENCES / LEARNING OUTCOMES

1316 - Degree in Economics

Apply the principles of economic analysis (rational decision) to the diagnosis and resolution of problems.



Be able to learn autonomously.

Be able to use English in a professional environment.

Have appropriate knowledge of the determinants of aggregate consumption, savings and investment.

Have decision-making skills and be able to apply knowledge to practice.

Know and understand the determinants of the long-term sustainable growth of an economy.

Know and understand the functioning of labour markets and the determinants of unemployment and wages.

Know and understand the nature of international trade and of the financial framework in which it takes place.

Know the economic measures to reduce income inequality and poverty.

Show critical thinking skills.

Understand and apply the scientific method, which involves formulating hypotheses, deducing verifiable results and contrasting them with empirical and experimental evidence.

Understand the functioning of the economy at the aggregate level and the effect of different economic policies.

Understand the possible causes of economic cycles and the effects of stabilisation policies.

DESCRIPTION OF CONTENTS

Introduction

1. From micro to macroeconomics.
2. General equilibrium: markets and agents, prices and quantities.
3. The short run versus the long run.
4. Real and nominal variables.

1. The Determinants of National Income and Prices. The Long Run

- 1.1 Long-run aggregate supply. Factor markets and income distribution.
- 1.2 Saving and investment: closed and open economy.
- 1.3 What is money? Money supply and money demand.
- 1.4 Money, prices, interest rates and exchange rates in the long run.



2. Aggregate Supply

- 2.1 From the long run to the short run.
- 2.2 Frictions in the labor market: rigid nominal wages and workers' imperfect information.
- 2.3 Frictions in the goods market: price setting and firm's imperfect information.
- 2.4 The Phillips Curve.

3. Aggregate demand: the IS-LM model

- 3.1 The goods and services market.
- 3.2 Financial markets.
- 3.3 The aggregate demand function.
- 3.4 Monetary and fiscal policies in the short run (fixed prices).

4. Aggregate Demand in the Open Economy

- 4.1 The goods market in the open economy.
- 4.2 Financial markets in the open economy.
- 4.3 Aggregate demand: flexible versus fixed exchange rates.
- 4.4 The open economy. Monetary and fiscal policies in the short run (fixed prices).

5. Aggregate Demand and Aggregate Supply. The complete macroeconomic model

- 5.1. The long-run AD-AS model: closed economy.
- 5.2. The long-run AD-AS model: open economy.
- 5.3. The short-run AD-AS model: closed economy.
- 5.4. The short-run AD-AS model: open economy.

WORKLOAD

PRESENCIAL ACTIVITIES

Activity	Hours
Theory	30,00
Classroom practices	30,00
Total hours	60,00

NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	4,00
Individual or group project	15,00
Independent study and work	35,00
Preparation of lessons	30,00



Preparation for assessment activities	6,00
Resolution of case studies	0,00
Total hours	90,00

TEACHING METHODOLOGY

Macroeconomics I both in lectures and classes will be geared towards combining work capacity individual with teamwork.

- For lectures (theoretical sessions) students will prepare in advance the readings that serve as the basis for the theoretical explanation. The teacher will combine his explanations with the active participation of the students. It aims to make the student develop both his autonomous work capacity (with previous work in class), as their ability to work as a team, argue and defend ideas (group discussions) and their ability to communicate orally, writing.
- For classes (practical sessions) students will prepare a set of exercises and practical cases that will be worked in the classroom. On the one hand, each individual student will have to prepare these tasks and, on the other each week, a group of students will prepare a set of exercises, readings and cases that will be resolved and will be presented in the classroom to the rest of their classmates.

Part of the tasks to be carried out will be based on the search of information on the websites of recognized economic institutions and statistics and on the economic pages of the press. It is intended that the student develop his ability to locate information, select it and evaluate its quality, develop your thoughts by analyzing schemes and contrasting them with data, work in groups in a coordinated way, solve problems, and communicate their opinions and results with clarity.

The planned tasks, both individual and joint, may result in different deliveries of results (exercises, works, presentations) which will be evaluated by the teacher.

EVALUATION

The subject of Macroeconomics I will be evaluated based on the consideration, by this order of relevance, of the following aspects:

1. Written exam at the end of the course that will consist of theoretical questions and practices.
2. Evaluation of the practical activities developed by the student during the course, from the elaboration of works, oral presentations and problem solving.
3. Continuous evaluation of the student, based on their participation and involvement in the teaching-learning process.

In the subject of Macroeconomics I, the total evaluation is broken down as follows:

- 30% corresponds to the evaluation of the different activities developed throughout the course



- and the active participation of the student
- 70% corresponds to the final synthesis test.

The activities carried out and evaluated throughout the course will not be recoverable, since, by its nature, it is not possible to design a test within the framework of the second call that is able to reflect and evaluate the objectives for which these activities are planned: effort to learn and progress in acquiring knowledge about the design of a test.

The final synthesis test has a mandatory nature and to pass it (obtaining a minimum of 3.5 out of 7 points) is an indispensable condition for passing the subject.

The course will be considered passed if the student obtains 5 out of 10 points, which can be achieved through a combination of continuous assessment and the final synthesis exam. If the student does not complete the continuous assessment tasks, they can only earn points from the final exam (a maximum of 7), and would need to score at least 5 out of 7 on that exam in order to pass the course.

REFERENCES

Basic

- Blanchard, O., Amighini, A., & Giavazzi, F. (2017). *Macroeconomics: A European perspective* (3rd ed.). Pearson.
- Mankiw, N. G. (2022). *Macroeconomics* (11th ed.). Macmillan Learning.

Additional

- Abel, A. B., Bernanke, B. S., & Croushore, D. (2024). *Macroeconomics* (11th ed.). Pearson Education.
- Dornbusch, R., Fischer, S., & Startz, R. (2017). *Macroeconomics* (13th ed.) McGraw-Hill.