

## SUBJECT TEACHING GUIDE

G939 - Dynamic Macroeconomics

Degree in Economics

Academic year 2019-2020

1. IDENTIFYING DATA					
Degree	Degree in Economics			Type and Year	Compulsory. Year 3
Faculty	Faculty of Economics and Business Studies				
Discipline	Subject Area: Macroeconomics Module: Training in Economic Analysis				
Course unit title and code	G939 - Dynamic Macroeconomics				
Number of ECTS credits allocated	6	Term	Semester based (2)		
Web	<a href="http://personales.unican.es/sanchezv/MD/MD.htm">http://personales.unican.es/sanchezv/MD/MD.htm</a>				
Language of instruction	Spanish	English Friendly	Yes	Mode of delivery	Face-to-face

Department	DPTO. ECONOMIA				
Name of lecturer	VIRGINIA SANCHEZ MARCOS				
E-mail	<a href="mailto:virginia.sanchez@unican.es">virginia.sanchez@unican.es</a>				
Office	Edificio de las Facultades de Derecho y Ciencias Económicas y Empresariales. Planta: + 1. DESPACHO PDI (E154)				
Other lecturers	NAMKEE AHN JUNG				

### 3.1 LEARNING OUTCOMES

- Competence to analyze economic questions with a dynamic perspective.
- Competence to empirically test economic theories.
- Competence to evaluate public policies using dynamic models

#### 4. OBJECTIVES

First this course is an introduction to dynamic macroeconomic models as a tool to address macroeconomic questions and policy evaluation. This course provides the base for other advance courses such as Economic Growth and Monetary and Financial Economics. Second the course addresses several important theoretical results related to consumption, fiscal policy, public pensions and business cycles. Finally the student learns how to evaluate empirically the economic models.

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#### 6. COURSE ORGANIZATION

##### CONTENTS

1	<p>1. CONSUMPTION AND SAVING THEORY</p> <p>a. The saving decision in a basic partial equilibrium model  b. Comparative statics: (i) income and (ii) interest rate  c. Model extensions: (i) borrowing constrains, (ii) labor supply decisions, (iii) uncertainty  d. Testable implications and model evaluation</p>
2	<p>2. A BASIC DYNAMIC GENERAL EQUILIBRIUM MODEL</p> <p>a. Household problem  b. Firm problem  c. Markets  d. Definition of General Equilibrium  e. Steady state equilibrium and the Balanced Growth Path  f. Dynamic inefficiency</p>
3	<p>3. MACROECONOMIC IMPLICATIONS OF TAXES AND PUBLIC PENSION SYSTEMS</p> <p>a. The effect of consumption taxes and income taxes on households' decisions  b. Ricardian equivalence  c. The Lucas' critique  d. General equilibrium models for policy evaluation  e. Public debt sustainability  f. Public pension systems</p>
4	<p>4. BUSINESS CYCLES</p> <p>a. Characterization of business cycles  b. Shocks and transmission mechanisms  c. A basic real business cycle model  d. Testable implications and model evaluation  e. Public policies</p>

### 7. ASSESSMENT METHODS AND CRITERIA

Description	Type	Final Eval.	Reassessn	%
Exam	Written exam	Yes	Yes	60,00
Exam 1	Written exam	No	Yes	20,00
Exam 2	Written exam	No	Yes	20,00
TOTAL				100,00
Observations				
If the student fails to pass in June, then the grade would be based on the final exam in September.				
Observations for part-time students				
Part time students must attend the classes in which evaluations are undertaken. Alternatively, they have the right to be evaluated based only on a final exam.				

### 8. BIBLIOGRAPHY AND TEACHING MATERIALS

#### BASIC

Wickens, (2008), "Macroeconomic Theory". Princeton University Press. Capítulos 4,5,6 y 14.  
 Conesa, J.C. y Garriga, C. (2004), "Teoría Económica del Capital y la Renta", disponible en  
<http://pareto.uab.es/jconesa/libro/libro.htm>. Capítulos 4 a 8, 10 y 11.