

Course Unit	Macroeconomics	Field of study	Economics
Bachelor in	International Business Management	School	School of Technology and Management
Academic Year	2023/2024	Year of study	1
Type	Semestral	Semester	2
Level	1-1	ECTS credits	6.0
Code	8487-711-1205-00-23		
Workload (hours)	162	Contact hours	T - TP 50 PL - TC - S - E - OT 10 O -

T - Lectures; TP - Lectures and problem-solving; PL - Problem-solving, project or laboratory; TC - Fieldwork; S - Seminar; E - Placement; OT - Tutorial; O - Other

Name(s) of lecturer(s) Larysa Viktorivna Savosh, Nuno Filipe Lopes Moutinho

Learning outcomes and competences

At the end of the course unit the learner is expected to be able to:

1. Understand the national account's objectives and interpret the different macroeconomic variables;
2. Describe the macroeconomy using aggregate demand and aggregate supply analysis;
3. Analyse the behaviour of the different variables that define the real market, the monetary market and the global market;
4. Interpret economic phenomena: inflation, unemployment, economic cycles, wage policies and management of natural resources;
5. Understand the causes and effects of inflation and unemployment in the economy, in general, and in the company decisions, in particular;
6. Understand the different types of economic policies available for the authorities in order to achieve equilibrium in the different markets;
7. Select, analyse and understand economic information, related to the analysed subjects collected from numerous available sources.

Prerequisites

Before the course unit the learner is expected to be able to:
Apply basic quantitative methods.

Course contents

National accounts: Gross Domestic Product (GDP) calculation. The price level and inflation. Business cycles, unemployment, and economic growth. Aggregate demand and aggregate supply. Aggregate expenditures and macroeconomic equilibrium. The function of money. The global market: unemployment, inflation and stabilization. The economics of foreign exchange and the balance of payments.

Course contents (extended version)

1. National accounts
 - The value of the product (GDP) from three different approaches: income, production and expenditure
 - Definition of the macroeconomics basic variables
 - Product: domestic and national, at factor cost and market price, at current and constant prices
2. The price level and inflation
 - Consumer index
 - The GDP deflator
 - Measuring inflation
 - Real and nominal product
 - Real and nominal wages
 - Hyperinflation and deflation
3. Business cycles, unemployment, and economic growth
 - The business cycle
 - Unemployment and forms of unemployment
 - The national rate of unemployment and effective and potential real GDP
 - Sources of growth and development
4. Aggregate demand and aggregate supply
 - Aggregate demand
 - Aggregate supply
 - Exchange rates and macroeconomic equilibrium
5. Aggregate expenditures and macroeconomic equilibrium
 - The consumption function
 - Investment expenditure
 - Aggregate expenditure
 - Contractions or recessions
 - The multiplier
6. The function of money
 - Definition of money and its functions
 - Measuring the stock of money
 - Money, demand, and interest rates
 - The banking system
7. The global market: unemployment, inflation and stabilization
 - The Philips curve
 - The theory of rational expectations and the tradeoff between inflation and unemployment
 - Stabilization policies: monetary and fiscal policies
8. The economics of foreign exchange and the balance of payments
 - International trade transactions
 - Foreign exchange market
 - Nominal and real exchange rates

Recommended reading

1. Blanchard, O. (2021). Macroeconomics (8th ed.). Pearson.
2. Burda, M., & Wyplosz, C. (2022). Macroeconomics: a European Text (8th ed.). Oxford University Press.
3. Krugman, P., & Wells, R. (2021). Macroeconomics (6th ed.). Worth Publishers.
4. Mankiw, N. G. (2022). Macroeconomics (11th ed.). Worth Publishers.
5. Parkin, M. (2022). Macroeconomics (14th ed.). Pearson.

Teaching and learning methods

Expositive methods complemented by active learning techniques, which intend to appeal to the student's participation in the process, through case studies and exercise solving techniques. Individual and group work as a way to promote moments of discussion and reflection. Promotion of individual tutorial sessions.

Assessment methods

1. Alternative 1 - (Regular, Student Worker) (Final)
 - Intermediate Written Test - 50%
 - Intermediate Written Test - 50%
2. Alternative 2 - (Regular, Student Worker) (Final, Supplementary, Special)
 - Final Written Exam - 100%

Language of instruction

English

Electronic validation

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22-02-2024	27-02-2024	02-03-2024