

## **MACROECONOMICS**

Degree in Finance

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Code: 12513

Main Scientific Area: Economics

Lecturer: Laurentina Maria da Cruz Vareiro

Language of Instruction: Portuguese

Regime: S2

Contact Hours: 60h Total Workload: 108h

ECTS: 6,0

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### **Objectives**

The main objective of the curricular unit is to provide the students with basic concepts that will enable them to analyze the main themes of the macroeconomic and economic policy domains. The general discussion of the main macroeconomic issues is intended.

### **Learning Outcomes**

By the end of the curricular unit, students should have knowledge of the basic macroeconomic concepts and dominate the central issues of the contemporary macroeconomic debate.

### **Course Contents**

In order to achieve the defined objectives, we define the following syllabus:

1. Introduction
  - 1.1 Importance of macroeconomic phenomena
  - 1.2 Macroeconomic objectives and policy instruments

#### 2. Measurement of economic activity

- 2.1 Concepts
- 2.2 Methods of measuring economic activity
  - 2.2.1 Production method
  - 2.2.2 Income method

#### 2.2.3 Expenditure method

#### 2.3 Real aggregates and nominal aggregates

#### 3. Inflation, unemployment and economic cycles

- 3.1 Concepts

### 3.2 Causes and consequences

## 4. Product determination models

### 4.1 Classic model

#### 4.1.1 Hypotheses of the model

#### 4.1.2 Aggregate supply

#### 4.1.3 Aggregate demand

#### 4.1.4 Full employment equilibrium

### 4.2 Keynesian model

#### 4.2.1 Hypotheses of the model

#### 4.2.2 Aggregate supply

#### 4.2.3 Internal private demand

##### 4.2.3.1 Consumption and savings functions

##### 4.2.3.2 Investment function

#### 4.2.4 Internal public demand

##### 4.2.4.1 Public revenue and expenditure functions

##### 4.2.4.2 Necessities/capabilities of public financing

##### 4.2.4.3 Public debt

#### 4.2.5 Export and import functions

#### 4.2.6 Aggregate demand function in an open economy with 3 sectors

#### 4.2.7 Equilibrium, mechanisms of adjustment, and stability

## 5. Money and monetary policy

### 5.1 Concepts and functions of money

### 5.2 Demand and supply of money and financial markets

### 5.3 Banks and money multiplier

### 5.4 Monetary policy: instruments and objectives

### 5.5 European Monetary Union

## 6. International trade

### 6.1 Economic basis for international trade

### 6.2 Exchange rates

### 6.3 Balance of payments

## **Recommended Bibliography**

Dornbusch, R., Fischer, S., Startz, R. Macroeconomics. McGraw-Hill.

Mankiw, G., Taylor, M. Macroeconomics. Cengage Learning. Samuelson, P., Nordhaus, W. Economics. McGraw-Hill.

## **Learning and Teaching Methods**

The syllabus was defined based on the objectives of the course and on the skills that should be acquired by students. The course begins with an introduction to the basic concepts of the macroeconomic theory, followed by the presentation of the main issues that arise on this domain. The analysis of the key issues that arise at the macroeconomic level justifies the analysis of: measurement of overall economic activity; models of product determination and budget/fiscal policy; money, Central bank and monetary policy; and international trade.

## **Assessment Methods**

Taking into account the objectives outlined for the course, the teaching methodology based on theoretical and practical classes, that include lectures and exercise solving activities, seems to be the most appropriate.

The acquisition of skills should be based on the careful study of the material made available by the teacher. This material includes theoretical support and practical exercises designed for this curricular unit. The teacher should promote exercise-solving activities that allow the consolidation of certain issues. It is the teacher's responsibility to define in advance the activity schedule of the curricular unit and to monitor student participation in all scheduled

Finances, being integrated in the Fasa 50-10 Pedagogical Innovation Project, will have the opportunity to participate in a multidisciplinary project, with a 15% weighting, in each course unit.