



# Introduction to Macroeconomics · 2010/11

## 1r Grau d'Economia, ADE i Finances i Comptabilitat · M7

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### Office hours (February-May 2011)

Tu. 08:00-9:00 & 11:00-13:00

Thu. 08:00-11:00

### Lecture room 2.2 · 8 February 2011 - 19 May 2011

Tu. 9:00-11:00 & Thu. 11:00-13:00

### Class timetable

February 8 10 15 17 22 24

March 1 3 8 10 15 17 22 24 29 31

April 5 7 12 14 26 28

May 3 5 10 12 17 19

Mid-term exams in red


Additional session: 30 Mar, 15:00-16:00, classroom A06


 [PDF of this page](#) | [Our future?](#)

### ● Lecture notes

 [Presentation](#)


 [Main ideas](#) | [Compendium of ideas](#)


 1a. Main macroeconomic variables | [big slides](#) | [small slides](#)  
GDP, inflation rate, unemployment rate


 1b. The real side: macro identities | [big slides](#) | [small slides](#)  
investment = private saving + government saving + foreign saving

 1c. The financial side | [big slides](#) | [small slides](#)  
money, financial assets, interest rates, money multiplier


 [That thing called financial crisis](#)

 2a. The loan market model | [big slides](#) | [small slides](#)  
open market operations, demand for loans, supply of loans,  
equilibrium (nominal) interest rate, real interest rate, Fisher effect


 2b. The currency market model | [big slides](#) | [small slides](#)  
foreign exchange rate, demand for €, supply of €, arbitrage,  
impossible trinity, real exchange rate, purchasing power parity


 2c. The AS-AD model | [big slides](#) | [small slides](#)  
aggregate supply, aggregate demand, macroeconomic equilibrium,  
business cycle, Phillips curve, Okun's law

 [The multiplier effect in action](#)

 3. Macroeconomic policy | [big slides](#) | [small slides](#)  
monetary policy, European Central Bank, quantity equation,  
Taylor's rule, classical dichotomy, fiscal policy, Goodhart's law

### ● Bibliography

 B. Bernanke & R. Frank (2007): [Principles of Macroeconomics](#) 3/e

 C.I. Jones (2010): [Macroeconomics](#) (Economic Crisis Update)  
The lectures from his Macroeconomics course are available [here](#).

Some books can be previsualized in Google Books, for instance:

 N.G. [Mankiw](#) (2009): [Principles of Macroeconomics](#) 5/e

 [Slides from the textbook \*Economics\* by P. Krugman and R. Wells](#)

✓ Most recommended

### ● Continuous assessment and exams

#### 1st examination period

● 20% (of the final mark) : best two results of three mid-term exams [1st](#) [2nd](#) [3rd](#)

● 5% : [XVII Economics Symposium](#)

● 15% : assignment

1. Consists of the description, comment, and analysis of some piece of news, like "Rising interest rates?" below.

2. The student chooses the article, which should preferably be in English.


3. The analysis must resort to models (in which case graphical depictions should be included) or results from the course.

4. Length: maximum 6-7 pages.

5. Give in a copy in paper or send a PDF file to [aga@urv.cat](mailto:aga@urv.cat) not later than 19/05/11.

● 60% : final exam 31/05/11 12:00 [P1](#) [P2](#)

 [Surprise exam](#)

 [Another surprise exam](#)

#### 2nd examination period

● 100% of the overall mark : final exam (like 20/06/11 12:00 [Part 1](#) [Part 2](#))

### ● Marks

 [From the surprise exam](#) (10/03/11)


 [From the 1st mid-term exam](#) (14/04/11)


Revised version: 15/04/11 · Thanks to Konstancja for pointing out errors

 [From the 2nd mid-term exam](#) (12/05/11)

 [From the 3rd mid-term exam](#) (19/05/11)

 [From the final exam](#) (31/05/11)


 [Final mark](#) (1st examination period)

 [Final mark](#) (2nd examination period)

### ● Web sites

 [The World Economy · Historical Statistics](#)





 [Penn World Table · Version 6.3](#)

 [World Economic Outlook 2010 Database](#)







 [European Central Bank · Statistics](#)

 [Indexmundi](#)






























 [Trading Economics](#)

-  G.R. Evans: [The loanable funds model](#)
-  G.R. Evans: [The aggregate supply-aggregate demand model](#)
-  W. Vickrey: [15 fatal fallacies of financial fundamentalism](#)
-  [The Spanish Economy](#)















#### ● Problem sets

-  [Problem set 1](#) | GDP, inflation rate, unemployment rate
-  [Problem set 2](#) | Real side and financial side
-  [Problem set 3](#) | The loan market
-  [Problem set 4](#) | The currency market, foreign exchange rate
-  [Problem set 5](#) | The AS-AD model
-  [Problem set 6](#) | Monetary policy, fiscal policy

#### ● Data and graphs

-  [GDP, third quarter 2010, Spain](#) | [GDP Spain](#) (1995-2010)  
Taken from  [INE](#)
-  [Current Account, Spain](#) (1980-2015)  
Taken from  [World Economic Outlook October 2010](#)
-  [France, Italy, Kazakhstan, Poland, Spain](#) (1980-2015)  
Taken from  [World Economic Outlook October 2010](#)
-  [The G7: real GDP growth and inflation rate](#) (1980-2015)  
Taken from  [World Economic Outlook October 2010](#)
-  [Germany, France, Italy, Spain](#) (1820-2008)  
Taken from  [The World Economy: Historical Statistics](#)
-  [Interest rates, Spain](#) (1990-2010)  
Taken from  [INEbase](#)
-  [Charts for the Eurozone](#)  
Taken from  [ECB Monthly Bulletin, February 2011](#)
-  [Dow Jones](#) (1928-2011) and [IBEX-35](#) (1992-2011)  
Taken from  [Yahoo Finance](#) and  [IBEX-35.com](#)
-  [Euribor](#) (1997-2011)  
Taken from  [European Banking Federation](#)
-  [Euro vs Yen](#) (01/03/11-21/03/11)  
Taken from  [European Central Bank](#)
-  [Spain: GDP growth of autonomous communities](#) (25/03/11)
-  [Interest rates of central banks](#)
-  [€-coin](#) : real time indicator of the euro area economy  
Taken from  [CEPR](#)
-  [The Phillips curve and Okun's law: some graphs](#)
-  [Phillips curve, Spain](#) (1976III-2010IV)  
Taken from  [INEbase](#)
-  [ECB Statistical Warehouse Quick View](#)

#### ● Fun

-  [The World Factbook \(CIA\)](#)
-  [Inflation Data](#)
-  [INE - Spanish National Accounts](#)
-  [INE - Surveyed Spanish unemployment](#)
-  [INE - Spanish Consumer Price Index](#)
-  [Idescat \(Catalonian official statistics\)](#)
-  [Resources for Economists on the Internet](#)
-  [Dismal Scientist \(Economics made clear\)](#)
-  [The Economist](#) (not all contents free)
-  [Economagic](#) (not all data free)
-  [Course material on International Economics](#)
-  [Slovan Economics News Site](#)
-  [Merriam-Webster \(on-line dictionary\)](#)
-  [Collins revers \(on-line translation\)](#)

#### ● Readings

-  [E. Maskin on economic theory and the crisis](#)
-  [ECB Monthly Bulletin February 2011](#)
-  [Rethinking macroeconomic policies](#)
-  [Impact of Basel 3 on GDP](#)
-  [Io servo chi mi paga](#)
-  [Pricing Spanish T-bills](#)
-  [Rising interest rates?](#) 24/02/11
-  [Madoff: "Everyone was greedy"](#)  
(article in Spanish, 01/03/11)
-  [Ponzi scheme · Spanish mini-Madoff](#)
-  [Capital flight](#) (07/03/11)
-  [Factoring](#) (07/03/11)
-  [CPI](#) (12/03/11)
-  [BOJ pumps money](#) [13/03](#) [14/03](#) [15/03/11](#)
-  [Bank for International Settlements](#) (13/03/11)  
[BIS site](#)
-  [Quakeconomics](#) [15/03/11](#) [20/03/11](#)
-  [Evolution of the yen](#) (& [17/03/11](#))
-  [Increasing inflation](#) (17/03/11)
-  [ECB: second thoughts](#) (17/03/11)
-  [The Fifth Horseman of the Apocalypse: speculators](#) (17/03/11)
-  [How will disaster affect Japan's economy?](#)  
(20/03/11)
-  [Should the ECB raise rates?](#) (11/03/11)
-  [CAREC Report](#)
-  [Adoption of policy rules](#) (26/03/11)

 [Most powerful people in the world \(2010\)](#)


 [Most dangerous pseudoscience](#)

 [The Ferengi rules of acquisition](#)

 [Macro statistics to forecast presidential elections](#)


 [Recovery](#)

 [US National Debt Clock](#)

 [String theory](#) (can you see some resemblance to macro theory?)

 [The rules for students](#) (attributed to Bill Gates)  
See also [here](#)

 [Are you a bonobo or a chimpazee?](#) (20/05/11)

 [World POPclock](#)  
According to the [International Programs Center](#), U.S. Census Bureau, the total population of the World, projected to the 21st of May, 2011, at 09:40 UTC (EST+5) is 6,919,775,688.

 [Erich](#) (27/05/11)

 [Españistán](#) (YouTube)

 [Rising inflation](#) (30/03/11)

 [On Goodhart's law](#) · [More](#) · [More](#) · [And more](#)

 ["The most important book ever written"](#)

 [The seven deadly innocent frauds](#)

 [Iceland](#) (03/04/11)


 [Implementation of monetary policy \(ECB\)](#)

 [Speech by the governor of the Spanish CB](#)


 ["Estamos mal, pero vamos bien"](#) (07/04/11)

 [Government budget in the US](#) (08/04/11)

 [A booming economy](#) (15/04/11)

 [Five millions](#) (Le Monde, 29/04/11)

 [La mort de BL fait grimper le dollar](#) (02/05/11)

 [Save the west](#) (guardian.co.uk, 02/02/09)

 [Draconian rescue](#) (05/05/11)

 [Greece again](#) (09/05/11)

 [The private debt problem](#) (12/05/11)

 [Krugman on austerity](#) (22/05/11)

 [Perfect storm](#) (26/05/11)

Last update: 20 June 2011 · 14:22  
Best viewed with Mozilla Firefox in 800x600

**Never ignore counterexamples**