



Year : 2018/19

## **61341 - Employment, Credit and Prices in Macroeconomic Perspective**

### **Syllabus Information**

<b>Academic Year:</b>	2018/19
<b>Subject:</b>	61341 - Employment, Credit and Prices in Macroeconomic Perspective
<b>Faculty / School:</b>	109 -
<b>Degree:</b>	525 - Master's in Economics
<b>ECTS:</b>	3.0
<b>Year:</b>	1
<b>Semester:</b>	Second semester
<b>Subject Type:</b>	Optional
<b>Module:</b>	---

### **General information**

#### **Aims of the course**

#### **Context and importance of this course in the degree**

#### **Recommendations to take this course**

#### **Learning goals**

#### **Competences**

#### **Learning goals**

#### **Importance of learning goals**

#### **Assessment (1st and 2nd call)**

#### **Assessment tasks (description of tasks, marking system and assessment criteria)**

#### **Methodology, learning tasks, syllabus and resources**

#### **Methodological overview**

The methodology followed in this course is oriented towards achievement of the learning objectives. A wide range of teaching and learning tasks are implemented, such as lectures, student participation, autonomous work (preparation of lectures, problems, or essays, study).

## Learning tasks

The course includes the following learning tasks:

- Lectures (20 hours): compulsory attendance
- Autonomous work (45 hours): coursework, homework, study
- Presentation and discussion of coursework and homework (10 hours): compulsory attendance

## Syllabus

The course will address the following topics:

### Topic 1. Presentation and introduction

- 1.1. Content of the course
- 1.2. The context of the macroeconomic problems to be tackled

### Topic 2. Rigidities in the labor market

- 2.1. Efficiency wages
- 2.1. Unions, insiders- outsiders, wages and employment
- 2.3. Matching function, vacants and unemployment in the short and in the long-run

### Topic 3. Financial frictions in the credit market

- 3.1. The importance of the credit activity in the macroeconomic evolution: credit channel and endogenous money
- 3.2. Asymmetric information
- 3.3. Costly state verification
- 3.4. Costly enforcement of contracts
- 3.5. Credit Rationing and collaterals
- 3.6. Financial intermediation model

### Topic 4. Staggered prices and wages

- 4.1. Imperfect competition
- 4.2. Staggered contracts and price rigidities
- 4.3. Staggered contracts and wage rigidities
- 4.4. Effects of a non-zero trend inflation

## **Topic 5. Integrating the three types of frictions in a non-stationary DSGE model**

5.1. A non- stationary DSGE model with unemployment

5.2. A non- stationary DSGE model with financial frictions

5.3. A non- stationary DSGE model with unemployment and financial frictions

## **Course planning and calendar**

Provisional calendar of sessions:

- Session 1. Presentation and introduction
- Session 2. Labor market. Efficiency wages
- Session 3. Labor market. Unions
- Session 4. Matching function
- Session 5. Homework presentation
- Session 6. Banks. Introduction. Assymmetric information
- Session 7. Banks. Costly state verification and costly enforcement
- Session 8. Homework presentation
- Session 9. Banks. Credit rationing and collaterals. Financial intermediation
- Session 10. Staggering and rigidities in prices and wages. Short run
- Session 11. Staggering and rigidities in prices and wages. Long run
- Session 12. Homework presentation
- Session 13. Effects of a non-zero trend inflation in DSGE models. Integration of structural unemployment and banks activity
- Session 14. Homework presentation
- Session 15. Exam

## **Bibliography and recommended resources**

- Blanchard, Olivier. Lectures on macroeconomics / Olivier Jean Blanchard and Stanley Fischer . - 11th. ed. Cambridge (Massachussets) ; London : MIT Press, 1998
- Freixas, Xavier. Economía bancaria / Xavier Freixas, Jean-Charles Rochet ; traducción de Ma. Esther Rabasco y Luis Toharia Madrid : Antoni Bosch, D.L. 1999