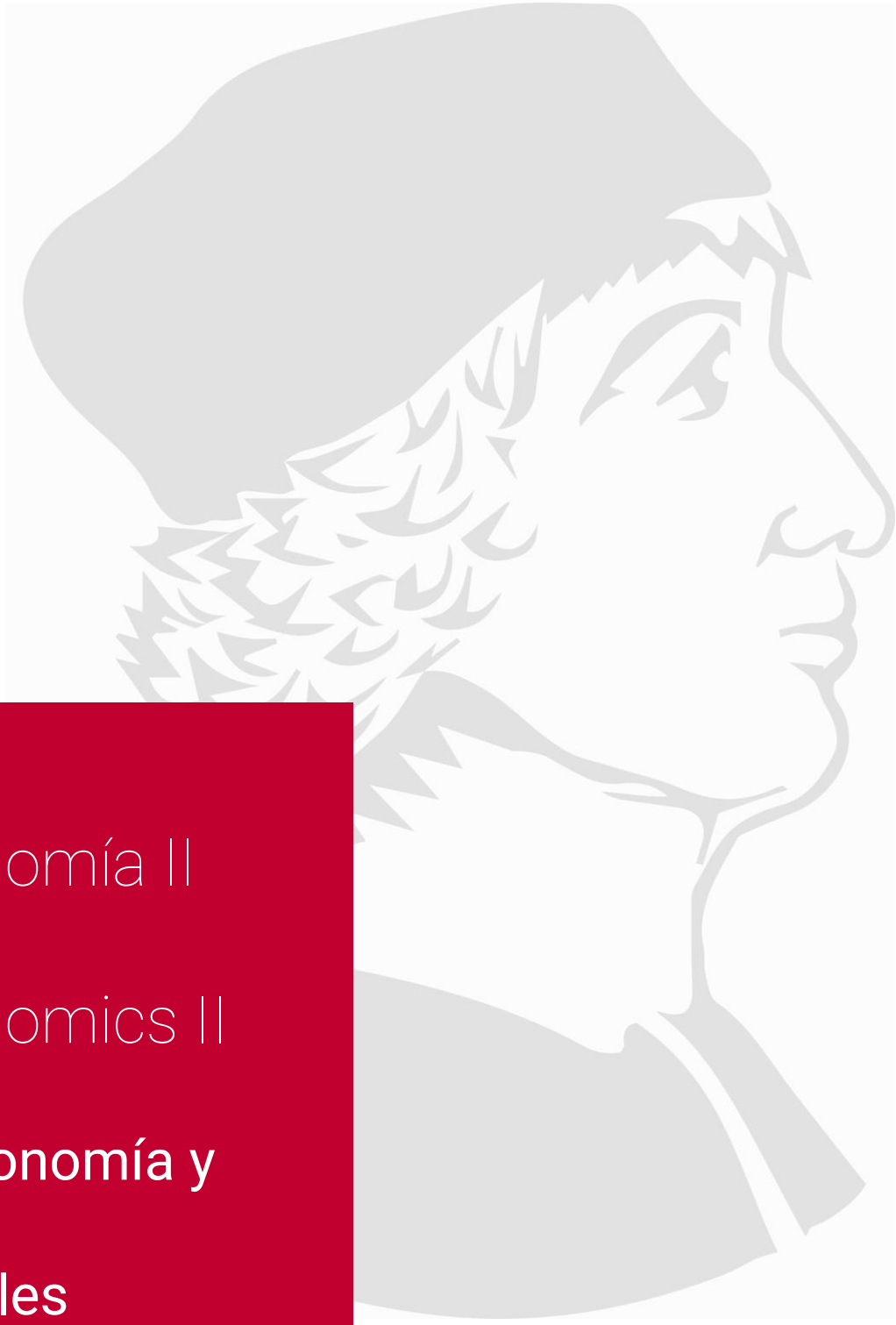
Macroeconomía II / Macroeconomics II

Grado en Economía y Negocios Internacionales



UNIVERSIDAD NEBRIJA

SYLLABUS

Course: Macroeconomics II

Degree: Grado en Economía y Negocios Internacionales

Type: Mandatory

Languages: This course will be taught in English

Modality: In-Person and Online

Credits: 6

Year: 2nd

Semester: Spring Semester

Professors and contact information: Eduardo Allende (eallende@nebrija.es) and Emilio J. González (egonzalezgo@nebrija.es)

1. COMPETENCIES AND LEARNING OUTCOMES

1.1. Competencies

Basic competencies
CB1, CB2, CB3, CB4, CB5.

General competencies
CG4, CG8, CG9.

Specific competencies
CE1, CE4, CE26.

1.2. Learning outcomes

At the end of this subject, the student must:

- Interpret global macroeconomic trends.
- Identify macroeconomic imbalances and describe conventional economic policy measures for their correction.

2. CONTENTS

2.1. Prerequisites

None.

2.2. Description

The main objective of the course is to acquaint the student / a with the microeconomic foundations of macroeconomics extending the analysis of the short and medium term addressed this subject, and to examine the role of macroeconomic policies and analyze some diseases (high unemployment and hyperinflation). The topics covered are: Nominal and real interest rates. The discounted present value. Reconsideration IS-LM model. Financial markets and expectations.

Microeconomic determinants of consumption and investment. Expectations, production and economic policy. Monetary policy and inflation. Public debt and fiscal policy: Inflation cycles.

2.3. Covered Topics

- **1. From the short term to the medium term: connecting Macro I and Macro II** Review of the IS-LM-BP model: key results and limitations 1.2. The role of expectations in macroeconomics: an introduction 1.3. Nominal and real interest rates: Fisher's equation 1.4. Present value: fundamentals and applications
- **2. Financial markets and expectations**

  2.1. The term structure of interest rates 2.2. Bond prices, yields and the yield curve 2.3. Stock prices and the present value of dividends 2.4. Bubbles, crises and market volatility: an intuitive approach 2.5. The revised IS-LM model: incorporating expectations
- **3. Microeconomic foundations of consumption**

  3.1. Keynesian consumption versus modern approaches 3.2. The intertemporal choice framework (two-period model) 3.3. The permanent income hypothesis (Friedman) 3.4. The life cycle hypothesis (Modigliani) 3.5. Liquidity constraints, precautionary saving and contributions from behavioural economics 3.6. Implications for the effectiveness of fiscal policy
- **4. Microeconomic fundamentals of investment**
- 4.1. Investment decisions and the present value criterion 4.2. The role of expectations and uncertainty 4.3. Tobin's Q: stock market valuation and investment 4.4. Cash flow, credit constraints and the accelerator effect 4.5. Business confidence and *animal spirits*
- **5. Expectations, production and economic policy**

  5.1. Rational expectations: concept and implications 5.2. Expectations in the goods market: consumption and investment revisited 5.3. The IS-LM model with forward-looking behaviour 5.4. Effectiveness of economic policy under adaptive vs. rational expectations 5.5. Lucas' critique and its relevance for policy design
- **6. Monetary policy and inflation**

  6.1. Central bank objectives and instruments 6.2. The Taylor rule and the inflation target 6.3. The monetary policy transmission mechanism 6.4. Credibility, independence and temporal inconsistency 6.5. Unconventional monetary policy: quantitative easing and forward guidance 6.6. Case study: responses of the ECB and the Federal Reserve to recent crises
- **7. Public debt and fiscal policy**

  7.1. Government budget constraints and debt dynamics 7.2. Public debt sustainability: concepts and indicators 7.3. Ricardian equivalence: theory and empirical evidence 7.4. Fiscal rules and fiscal policy in the European Union 7.5. The debate between austerity and fiscal stimulus 7.6. Case study: sovereign debt crisis in the Eurozone
- **8. Macroeconomic pathologies: high unemployment and hyperinflation**

  8.1. Persistent unemployment: hysteresis and structural factors 8.2. Labour market institutions and unemployment in different countries 8.3. The costs of inflation and disinflation 8.4. Hyperinflation: causes, dynamics and stabilisation 8.5. Case studies: Latin American hyperinflations; European unemployment in the years 1990-2000 Infinite-horizon and overlapping-generations models

2.4. Individual / Group Assignments

During the semester, some of the following activities, practices, reports or projects may be developed, or others of a similar nature or objectives:

Directed Activity 1 (DA1): Nominal and Real Interest Rates: An Empirical Exploration.
Directed Activity 2 (DA2): The Yield Curve as an Economic Indicator.
Directed Activity 3 (DA3): Consumption and Income: Testing the Permanent Income Hypothesis.
Directed Activity 4 (DA4): Investment and Uncertainty: Business Confidence Indicators.

2.5. Learning Activities

In-Person Learning	Hours	Attendance %
AF1 Lecture / Theoretical Foundations	**45**	**100%**
AF2 Case Studies	**9**	**100%**
AF3 Tutorial	**9**	**100%**
AF4 Individual / Group Assignments	**18**	**0%**
AF5 Online Assignments	**6**	**50%**
AF6 Extracurricular Materials	**6**	**0%**
AF7 Self Study	**57**	**0%**

Online Learning	Hours	Attendance %
AF8 Online Lecture	**12**	**50%**
AF9 Online Case Studies	**12**	**0%**
AF5 Online Assignments	**48**	**0%**
AF6 Extracurricular Materials	**18**	**0%**
AF7 Self Study	**24**	**0%**
AF10 Online Tutorial	**12**	**100%**
AF11 Individual / Group Assignments	**24**	**50%**

Methodologies:
In-Person: MD1, MD2, MD3, MD4
Online: MD1, MD2, MD3, MD4

3. GRADING RUBRICS

3.1. Grades

Grades are calculated as follows:

0 - 4.9 Fail (SS)
5.0 - 6.9 Pass (AP)
7.0 - 8.9 Notable (NT)
9.0 - 10 Outstanding (SB)

The mention of "Matrícula de Honor" may be awarded to students who have obtained a grade equal to or greater than 9.0.

3.2. Evaluation criteria

Ordinary Session

Modality: In-Person

Evaluation Criteria	Percentage
S1 Attendance and Participation	10%
S2 Individual / Group Assignments	30%
S3 Midterm Exam (On-Site)	10%
S4 Final Exam (On-Site)	50%

Modality: Online

Evaluation Criteria	Percentage
S10 Participation (Forums and Supervised Activities)	10%
S2 Individual / Group Assignments	30%
S4 Final Exam (On-Site)	60%

Extraordinary Session

Modality: In-Person

Evaluation Criteria	Percentage
S2 Individual / Group Assignments	30%
S4 Final Exam (On-Site)	70%

Modality: Online

Evaluation Criteria	Percentage
S2 Individual / Group Assignments	30%
S4 Final Exam (On-Site)	70%

3.3. Restrictions

Minimum Grade
To be able to qualify for inclusion of the above evaluation criteria percentages in the calculation of the final grade, it is necessary to obtain at least a grade of 5.0 in the final test.

Attendance
Student who have missed more than 25% class meetings (unexcused) may be denied the right to take the final exam in the ordinary session.

Writing Standards
Special attention will be given to written assignments, as well as to exams, regarding both presentation and content in terms of grammatical and spelling aspects. Failure to meet the minimum acceptable standards may result in point deduction.

3.4. Plagiarism Warning

Nebrija University will not tolerate plagiarism under any circumstances. Reproducing content from sources other than a student's own work (the internet, books, articles, and peers' work, among others) without proper citation will be considered plagiarism.

If these practices are detected, they will be considered a serious offense, and the sanctions provided for in the Student Regulations may be applied.

4. BIBLIOGRAPHY

Required Reading

Blanchard, O. (2025). *Macroeconomics* (9th edition). Pearson

Recommended Reading

Dornbusch, R., Fischer, S. and Startz, R. (2017). *Macroeconomics* (13th edition). McGraw Hill

Mankiw, N.G. (2024). *Macroeconomics* (12th edition). Macmillan Learning