

**ADE 408 Macroeconomics**

**Credits:** 4

**DESCRIPTION**

The course covers fundamentals of economics with a focus on macroeconomics. We will address key economic concepts with mathematical and instrumental support in order to solve problems. It is an approach to the way economics was established (by defining its purpose, method and theory system). It allows one to understand the principles that determine markets while making use of mathematics in defining and solving problems. It helps one to view economics with a total or aggregate view, and globally, in order to aid understanding of its operation. To better understand the economic differences between nations we will discuss issues related to growth, sustainable development and poverty.

**OVERVIEW**

<b>What is it?</b> MACROECONOMICS	It is the study of the behavior of aggregate economic variables
<b>What needs does it address?</b>	The needs of the individual, the needs of the community, and the social relations of production
<b>What does it pursue?</b>	One of the goals of macroeconomics is to understand the mechanisms and effects of changes in institutional variables as the type of market organization (perfect competition, monopoly, oligopoly, etc.), Or the levels and types of tax. Duopoly, trust, etc..)
<b>What does it deal with?</b>	It deals with the analysis of the behavior of individual participants and their interaction
<b>What does it reveal?</b>	Socio-economic relations, ie related to sociology, politics, administration, marketing, ethics, among other

**Problem:** Economic: How to satisfy human needs using scarce resources?

**Solving social needs:** Meeting human needs from what? How? And Who? Production.

**Areas of Knowledge:** The economic area, the social, and the technological.

**OBJECTIVES**

- Understand the mechanisms by which prices and quantities are set for exchange between individual participants in the economy.
- Analyze the effects of changing institutional variables or types of market organization and know the levels or types of taxes affecting participants.
- Interpret the theory of supply and demand, the determining factors, its expansions and contractions, as they change with the level of income and the utility of consuming goods and services, the differences between the individual offer and the offer of market. Analysis of supply over time.
- Recognize the equilibrium of goods and services in the market, their determinants, modifiers, and analysis of the results.

- Analyze the GDP, National Income, Investment and Government expenditure as mechanisms to promote the development of the country's economy.

## CONTENTS

<b>UNIT</b>	1		
Analyze the effects of changing institutional variables or types of Market Organizations (Perfect Competition, Oligopoly, Duopoly, Monopoly, etc.)			
<b>Knowledge</b>	<b>Skills</b>	<b>Values</b>	
The effects of changing the variables on supply and demand.	Analyzes the effects of change on institutional variables through critical analysis and application in order to familiarize students with the market structure.	Social responsibility, ethics and fair competition at time of entry into the market.	
<b>Assignment:</b>			
<ul style="list-style-type: none"> <li>Investigate key concepts: competitiveness, productivity, competitive advantage and differential advantage.</li> <li>Perform a comparative analysis between perfect and imperfect competition; Establish the similarities and differences between the two.</li> </ul>			

<b>UNIT</b>	2		
Knowing the economic thinking and perception of the economic problem of every doctrine, through a historical process and current context.			
<b>Knowledge</b>	<b>Skills</b>	<b>Values</b>	
Schools of economic thought and perception of the economic problem.	Know each school of economic thought as related to economic problems according to their approach. Identify resources and needs. Analyze the probable cases of the PPF to make production decisions.	Respect and tolerance for contrary ideas, doctrinal ethics when analyzing the economic problem. Determine when making decisions regarding production and consumption.	
<b>Assignments:</b>			
<ul style="list-style-type: none"> <li>Investigate key concepts: Law of rising costs and diminishing returns; Opportunity Cost.</li> <li>Perform an economic analysis of the marginal rate of substitution and the marginal utility; Find the similarities and differences between the two and the ways which it influences the consumer's budget constraint from the previous analysis.</li> </ul>			

<b>UNIT</b>	3		
Recognize the functions of the market mechanism and rational consumer behavior			
<b>Knowledge</b>	<b>Skills</b>	<b>Values</b>	
The automatic adjustment mechanism of the market. The rational consumer behavior.	Know the functions of automatic regulation in the free market. Understood in theory, the functions of the Supply and Demand in centralized and intervened markets. To analyze the existence of	Reflect on the importance of financial management in the organization. Fairness and equal opportunity in the free market. Procedural ethics in establishing honest market relations and eradicating corruption.	

	market failures and how to counter them.	
<b>Assignment:</b>		
<ul style="list-style-type: none"> <li>Investigate key concepts: Centralization and decentralization of the market, market structure and composition.</li> <li>Perform a comparative analysis of the Free Market and Central Market and intervened; Find similarities, differences, advantages and disadvantages.</li> </ul>		

<b>UNIT</b>	4	Credit		
Know and differentiate the supply and demand for the establishment of market equilibrium through pricing and quantities equilibrium				
<b>Knowledge</b>		<b>Skills</b>		<b>Values</b>
The Theory of Supply and Demand Theory. Market Equilibrium and pricing and quantities supplied and balance of demand. (Agreement between producers and consumers)		Knowing the theoretical framework of Supply and Demand. Understanding theoretically the operation of the determinants of the Supply & Demand market and rational behavior of producers and consumers. To analyze the changes in demand and quantity demand. To analyze the changes in the supply and quantity supply.		Fairness and equal opportunity in the free market. Ethics procedural fairness in establishing market relations and eradicate corruption. Procedural ethics in establishing honest market relations and eradicating corruption.
<b>Assignment:</b>				
<ul style="list-style-type: none"> <li>Investigate key concepts: Changing the equilibrium producer surplus, consumer surplus;</li> <li>Perform an economic analysis of the price elasticity of demand, income elasticity of demand, elasticity of supply; Find similarities, differences, advantages and disadvantages.</li> </ul>				

## ASSESSMENT

Quizzes & assignments: 60%  
Final project: 40%

## REFERENCES

AUTHOR	TITLE	YEAR
Paschoal Rosseti	Visión panorámica de la Economía	2009
William Nordhaus	Nuevo mundo económico	2009
Econ. Carlos Lértora D.	Apuntes y comentarios de Economía I y II	2008
Paul Samuelson	Introducción A la Economía	2009