

## COURSE SYLLABUS

### 1. COURSE DESCRIPTION

<b>Degree:</b>	<b>Finanzas y Contabilidad</b> (English teaching)
<b>Double Degree:</b>	<b>Derecho y Finanzas y Contabilidad</b> (English teaching)
<b>Course:</b>	<b>APPLIED ECONOMICS</b> (Economía Aplicada - English teaching)
<b>Module:</b>	<b>Analysis of Economic Environment (Module 8)</b>
<b>Department:</b>	<b>Economics, Quantitative Methods and Economic History</b>
<b>Term:</b>	<b>Second term</b>
<b>Total Credits:</b>	<b>6</b>
<b>Year:</b>	<b>2<sup>nd</sup>/3<sup>rd</sup></b>
<b>Type of Course:</b>	<b>Obligatory</b>
<b>Course Language:</b>	<b>English</b>

<b>Teaching model:</b>	<b>A1</b>	
<b>a. General/background:</b>		<b>70%</b>
<b>b. Theory-into-practice/developmental knowledge-building</b>		<b>30%</b>
<b>c. Guided Academic Activities:</b>		



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### **2. COURSE COORDINATOR**

**Course coordinator: M. CARMEN LIMA DÍAZ**

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### 3. ACADEMIC CONTEXT

#### 3.1. Course Description and Objectives

Since the democratic transition, Spanish economy has faced important changes that have allowed its modernization and incorporation into the growing economic integration process experienced at European level. Cyclical fluctuations, structural and institutional reforms and harmonized economic policies are some of the keys to understanding the recent evolution of our economy.

This course is intended for students to delve into these developments and be able to understand and explain the current situation of Spanish economy, highlighting its strengths and weaknesses, its strategic challenges increasingly influenced by the European environment.

Students will study Spanish economic growth patterns and the role played by productivity, institutions such as labour market and public sector, financial system and foreign sector; all under the framework of common public policies such as monetary policy in the Euro Area and other partially harmonized policies. The current economic crisis derived from the financial crisis a few years ago, has highly influenced European economies and Spain, demanding a coordinated reaction by means of economic recovery plans that are being gradually replaced by austerity programs and deficit reduction. All these actions reinforce the importance of coordinated approaches in order to reduce major economic problems. Spain must specially work also on labour market reforms and external competitiveness. These and other issues are key to addressing the convergence progress with the EU, strengthening our welfare state and ensuring the financial viability of our pension system in the future.

This course aims, in short, that student know the Spanish and European economy and are capable of performing the following objectives:

1. To facilitate understanding of the general economic framework in which economic relations are conducted in Spain, paying particular attention to those policies undertaken at European level.
2. Deepening the main features of the Spanish economy and European integration project.
3. Providing tools for rigorous and objective analysis of the Spanish economy.

#### 3.2. Contribution to the Training Plan

When carrying out his professional career, the graduate in Finance and Accounting must make decisions within an economic context. It is therefore imperative that he/she understands and knows how to analyze such environment. To ensure this objective the

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student needs to acquire a set of skills that involve a set of knowledge and attitudes related to the analysis of the behavior of consumers, businesses and public sector. The subject "Applied Economics" is located between the materials of the degree that examine these relationships, because it deepens the study of Spanish business cycle and growth, business investment and monetary and fiscal economic policies. We study indicators such as productivity, competitiveness or unemployment, issues that directly affect business decision-making. Keep abreast of changes in national and European environment is a central concern of the business strategies in finance and accounting. It is therefore necessary to provide knowledge in this field, which develops theoretical models and methodologies previously studied in other economy subjects in the first year ("Introduction to economics", "Microeconomics") or "Macroeconomics" during the second year, first semester.

This subject provides basic training for further specialization in post graduate studies on economic analysis, economic integration or public policy evaluation.

### **3.3. Recommendations or Prerequisites**

To be successful in this subject, it is essential to have basic knowledge of consumer theory, production theory and understand the meaning of the main macroeconomic indicators, as well as being able to deal with graphic and analytical tools. It is therefore necessary to have passed the subject "Introduction to Economics" (first year, first semester). Furthermore, it is advisable to have successfully completed the subjects "Microeconomics" (first year, second semester) and "Macroeconomics" (second year, first semester). Given the characteristics of the course, students must perform continuous monitoring of the economic news over the course, being informed about the economic current affairs. It is also advisable to have basic computer skills to manage data, word processing and power-point presentations.

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### 4. SKILLS

#### 4.1 Degree Skills Developed during this Course

##### GENERAL:

- Students should acquire the capacity to apply their knowledge to their profession in a professional manner. Likewise, they should be able to have the capabilities to show their ability to defend their arguments and solve problems within their area of study.
- Students should be able to interpret relevant data (normally within their area of study) to issue judgements about relevant issues of social, scientific or ethical character.
- Students should be able to transmit information, ideas, problems and solutions to the specialized and non-specialized public.
- Students should develop learning abilities that will help them in further studies for acquisition of autonomy skills.

##### GENERAL/INSTRUMENTAL:

- Capacity of analysis and synthesis.
- Capacity of organizing and planning.
- Verbal and written communication in English.
- Ability to analyze and search for information stemming from various sources.
- Capacity to make decisions.

##### GENERAL/PERSONAL:

- Capacity of team-working.
- Ability for the personal relationships.
- Capacity of criticism and self-criticism.
- Building capacity for work under different environments.

##### GENERAL/SISTEMIC:

- Capacity of autonomous learning.
- Creativity.
- Leadership.
- Motivation towards quality.
- Sensitiveness towards environmental and social issues.

##### SPECIFIC

- Become familiar with economic institutions and grasp the general way the economy works as well as the behaviour of economic agents. Understand how economic models are used to make predictions about the real world.
- Understand the function, utility and limitations of macroeconomic policies. Know the

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macroeconomic aggregates. Analyze market theory, resources allocation and price fixing.

### 4.2. Module Skills Developed during this Course

#### SPECIFIC:

1. Technical and analytical abilities for economic decision-making.
2. Be able to analyse the main features of Spanish economy, sectoral policies, institutions and main disequilibria. Understand labour market and public sector behaviour. Know about economic integration theory and understand the European integration process and economic and monetary affairs within the EU.

#### GENERAL/INSTRUMENTAL:

- Capacity of analysis and synthesis.
- Capacity of organizing and planning.
- Verbal and written communication in English.
- Ability to analyze and search for information stemming from various sources.
- Capacity to make decisions.

#### GENERAL/PERSONAL:

- Capacity of team-working.
- Capacity of criticism and self-criticism.
- Building capacity to work under different environments.

#### GENERAL/SISTEMIC:

- Acting according to a criterion of social responsibility, principle of equality of opportunities between men and women, principle of equality of opportunities for people with disability, and the cultural values of peace and democracy.
- Sensitiveness towards environmental and social issues.
- Capacity of autonomous learning.
- Creativity.
- Leadership.
- Motivation towards quality.

### 4.3. Course-specific Skills

#### GENERAL AND COGNITIVE SKILLS:

- Develop technical and analytical skills needed for economic decision-making.
- Learn to reason within the framework of different models with special emphasis on the role of economic assumptions / hypotheses.
- Learn to analyze reality from a multidisciplinary perspective.
- Develop the ability to get information from a variety of different sources. Develop critical thinking and synthesis skills.

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- Usage of acquired skills to resolve analytical problems.
- Develop the ability to put theory into practice.
  
- Acquire and understanding of economic institutions.
- Become familiar with the main macroeconomic aggregates and their utility.
- Grasp the general way the economy works.
- Understand how economic models are used to make predictions about the real world.
- Encourage scientific spirit and research by developing an ability to analyse new problems with acquired tools; develop the ability to reason rigorously and systematically.

### PROCEDURAL/INSTRUMENTAL/ACTITUDINAL:

- Use available information to assess the current situation and forecast the evolution of companies and markets.
- Identify the sources of relevant economic information and understand its content.
- Derive relevant information from data which can only be interpreted by experts.
- Apply professional criteria based on the use of technical instruments to problem analysis.
- Express oneself coherently and legibly both in writing (papers, studies, reports) and orally (presentation of specific research results).
  
- Foster teamwork through collaboration, consensus, negotiation, conflict resolution and respect for the opinions of fellow team members.
- Cultivate critical thinking.
- Develop responsible practices and the ability to confront problems rigorously and systematically.
- Assume a proactive, positive attitude when facing new problems; adopt a can-do spirit rather than accepting defeat.

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### 5. COURSE CONTENT (COURSE TOPICS)

#### Part I: ECONOMIC INTEGRATION AND EUROPEAN INTEGRATION PROCESS.

##### Unit 1: Economic integration

- 1.1 Concept of Economic Integration.
- 1.2 Levels of economic integration.
- 1.3 Main effects of economic integration.

##### Unit 2: European integration process.

- 2.1 Stages and treaties.
- 2.2 Decision-making, Community powers and budget.
- 2.3 The Economic and Monetary Union: the Common Monetary Policy and the Stability and Growth Pact.

#### Part II: SPANISH ECONOMY. GROWTH, COMPETITIVENESS, INSTITUTIONS AND POLICIES.

##### Unit 3: The dynamics of production in Spain (1960-2011).

- 3.1 The main features of Spanish economic growth: a comparative perspective.
- 3.2 Determinants of economic growth: the role of productivity.
- 3.3 Main structural changes.
- 3.4 Cyclical fluctuations and macroeconomic disequilibria.

##### Unit 4: Production factors.

- 4.1. Human capital.
  - 4.1.1 Demography.
  - 4.1.2 Qualifications.
  - 4.1.3 Labor market.
    - 4.1.3.1 Characteristics of labor market.
    - 4.1.3.2 Explanatory factors of unemployment, employment policy and main reforms.
- 4.2 Physical and technological capital.

##### Unit 5: Public Sector. Public Policy.

- 5.1. Role of public sector.
- 5.2 Costs and revenues of Public Administrations.
- 5.3 Welfare State in Spain.

##### Unit 6: Financial System and Foreign sector

- 6.1 Basic features of Spanish financial system.
- 6.2 Banking system and bank restructuring.





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6.3 Balance of payments and foreign trade.

Unit 7: Current affairs.

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### 6. METHODOLOGY AND RESOURCES

In order to reach the objectives proposed, the subject will be organized according to the following scheme: General background (70%) and Theory-into-practice knowledge building (30%).

#### General Background:

In these 21 sessions of 1.5 hours, the lecturer will provide a basic theoretical framework for the course. There will be a permanent interaction with the student. Each unit slides can be download from the WebCT as well as the bibliography and complementary readings. The lecturer will use examples in order to clarify concepts and for a better understanding of the theory. The aim of these classes is developing the general and specific skills of the degree, the specific skills in the modulus and the first group of particular skills developed in the subject.

#### Theory-into-practice knowledge building:

In these 9 sessions of 1.5 hours the students will apply theoretical concepts worked for the understanding of economic information from different types of sources, promoting instrumental, personal and systemic degree and modulus skills; as well as the second block of the particular skills of the subject. All these skills are developed through the preparation of submissions based on synthesis and study of theoretical material, collection and interpretation of data from different sources, or debates on economic reports or topical issues raised in class.

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### 7. ASSESSMENT

Student assessment will be made taking into account both the final test on the contents in the General Background lectures and the work done in the Theory-into-practice knowledge building, developed during the semester. The weighting of these will be:

- General Background (70%): Final exam consisting of a multiple choice and short questions in theory and practice which may include any section of opinion / current affairs. At the end of the semester students will take a final exam to assess the knowledge acquired. Attendance, attitude and participation of students in the activities proposed can be also evaluated. To perform the exam it is not permitted to use any consultation document (program, etc.). Students are allowed to use the calculator, if it were necessary. Students should be provided with D.N.I. or the University's identification document.

- Theory-into-practice knowledge building (30%): This part corresponds to the continuous assessment carried out on the student based on their work throughout the semester. It will assess the degree of understanding and study of the information contained in specialized readings and supplementary reports (European Central Bank, European Commission, Bank of Spain, etc.), the quality of the individual or group presentations conducted, and in general, the level of skills achieved. It is not necessary to obtain a minimum score in these activities to add this score to the final exam. The scores obtained here will be saved for the rest of official calls in the academic year.

It is necessary to obtain a minimum of 2.8 points on 7 (4 out of 10) in the examination of General Background in order to add the score on the Theory-into-practice knowledge building. The final score will be, therefore, the sum of up to 3 points for Theory-into-practice knowledge building and up to 7 points for General Background, provided that the student has met the minimum stated above. These requirements also apply in the resit exam in July.

Note: Part II. Chapter II. Article 14.2 and 14.3 of the Regulations of the Academic Rules and Student Assessment (approved by the Governing Council of the UPO on 18 July 2006): "In carrying out work, plagiarism and the use of original material, including that obtained through the Internet, without explicit indication of their origin and, if necessary, permission of the author, may be considered cause hold rating of the course, without prejudice that might result in academic penalty.

It shall be the Director of the Department responsible for the subject, after hearing the teacher responsible for it, affected students and other academic analysis required by the Directorate of the Department, deciding on the possibility of requesting the initiation of appropriate disciplinary proceedings."



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The students have the possibility to sit two exams per year in order to pass the course. The marks obtained throughout the semester in the theory-into-practice activities, will be valid for the resit exam in July. This ongoing evaluation assessment (30% of the final mark) cannot be obtained in any other way than what is described above.

### Student mobility:

Those UPO students who are not able to attend seminars due to being abroad under official mobility programs (Socrates-Erasmus, Séneca, Atlanticus...) will have an additional exam, or work that will be clearly defined, in order to make up for the percentage assigned to the continuous evaluation. Students in this situation must inform the responsible lecturers before the 30<sup>th</sup> of April. In case of not respecting this deadline, their academic coordinator should provide a validation document.

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### 8. BIBLIOGRAPHY

For Part I: ECONOMIC INTEGRATION AND EUROPEAN INTEGRATION PROCESS, the basic bibliography is the European Union Official Website: [http://europa.eu/index\\_en.htm](http://europa.eu/index_en.htm). Other references:

Baldwin, R. and Wyplosz, C. (2009): *The Economics of European Integration*, 3rd Edition, Mc.Graw-Hill.

For Part II: SPANISH ECONOMY, the basic bibliography is:

García Delgado, J.L. y Myro, R. (dir) (2012): *Economía Española: una introducción*, 1ª Edición, Civitas.

- García Delgado, J.L. (Dir.) (2011): *Lecciones de Economía Española*, 10ª edición. Civitas Ed. Selected Chapters
- Vallés Ferrer, J. (Dir) (2009): *Economía Española*, 2ª edición. Ed Mc Graw Hill.

Note that, as there are no available books in English regarding the Spanish economy issues, we will mainly work on slides and economic reports and other economic material from well know institutions such as European Commission, European Central Bank, Spanish Central Bank, Spanish Ministry of Economy and economic research centres.