## **Economics**

## Prof. Jacopo Staccioli; Prof. Giuseppe Mastromatteo

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to illustrate the fundamental concepts of economic reasoning in order to explain the individual behaviours of operators, and the functioning of markets and the economic system as a whole, through a review of the main topics relating to the latest evolution of the discipline, with particular reference to banking and financial systems, taxation, and economic policies.

The analytical knowledge will be focused on their application to cultural management problems, as the original driver of development, and its relationship with economic issues.

The course is divided into two parts dedicated to microeconomics and macroeconomics, both focused on cultural economics*.*  In particular, it aims to offer tools for analysing the processes of production, distribution and consumption of artistic and cultural assets through the key concepts provided by economics.

At the end of the course, students will be able to recognise, understand and professionally analyse the main theoretical and empirical models of the discipline, and to use them to formulate their opinions and analyses on current economic events and on issues related to their specialisation. Furthermore, they will be able to effectively develop complex reasoning through the use of analytical synthesis and graphical analysis. Finally, they will have acquired a knowledge and understanding of the most relevant and useful theoretical approaches for continuing their studies in political economy through more advanced courses at a specialist level, which will refer back to the basics learnt during the course.

***COURSE CONTENT***

The course considers the need to place analysis within a historical perspective in order to offer a more accurate understanding of how culture management is conditioned by prevailing approaches to economic growth and development over time.

Therefore, an introductory part will be specifically dedicated to the historical development of political economy and economic policy instruments: mercantilism, physiocracy, classical economics from Smith to Ricardo and Marx, neoclassical economics and the Keynesian revolution.

The course will then be split into a consolidated division between microeconomic and macroeconomic analysis.

Part 1: *Microeconomics*

Consumption theory (market balances, budget constraints, utility and consumer choices, demand and elasticity functions) - Theory of production decisions and supply (production function, production costs, economies of scale, externalities). Consumers, producers and market efficiency. The concept of Pareto efficiency and the search for balance between efficiency and equity. Market balance in perfect competition, monopoly, oligopoly and monopolistic competition. Both parts of the course will be focused on the different aspects of cultural economics, and the concepts of culture and public interventions, with practical activities based on the topics explained in class.

Part 2: *Macroeconomics*

The principle of effective demand - Macroeconomic data - The Keynesian elementary model and an explanation of unemployment. The multiplier and determination of the short-term level of production and income. Determination of money market balances: the role of interest rates and the differences versus the neoclassical models. The function of public intervention in economics. The IS-LM model - Monetary and fiscal policies - The extension to open economies - The short-term trade-off between inflation and unemployment - The Phillips curve - Inflation targeting.

***READING LIST***

N. G. Mankiw-M. P. Taylor, *Principi di Economia,* 8th Edition, 2022, Zanichelli

Additional lecture notes and supplementary materials will be provided by the lecturers by way of the *Blackboard* platform. The course will include also seminars. The didactic support for exam preparation will be provided and calibrated according to the actual teaching done on the subject.

***TEACHING METHOD***

Frontal lectures and practical activities. External experts may be invited to present lectures, testimonies and dedicated seminars.

***ASSESSMENT METHOD AND CRITERIA***

A written exam covering the entire course programme. The written exam includes open and/or close-ended questions and the solving of exercises. The exam aims to verify the student's ability to analyse and understand, as well as their knowledge of the issues addressed and the critical application of this knowledge: it therefore involves answers of an analytical nature as well as the analysis of graphical representations. In case of remote teaching, the final exam will be guaranteed through the use of distance learning tools.

Interim tests may be organised in compliance with the overall teaching organisation of the degree course. In this case, the interim test covers the first half of the programme, and contributes 50% to the final mark. Passing the interim test allows a student to take the final exam on the second part of the course, which will also contribute 50% to the final mark.

***NOTES AND PREREQUISITES***

Attendance is strongly recommended. Knowledge of the basic mathematical notions offered in the teaching of mathematical methods of economics is assumed.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.