# ECONOMICS

## Enrico Bellino

***COURSE AIM AND DEARNING OUTCOMES***

The Political Economy course introduces students to the fundamental elements of an “economic system” and the forces operating within it. Since there is more than one approach in Political economy to explain how economic systems function, this course will emphasize the viewpoints, the logic and the explanations provided by the main schools of economic thought (classical, neoclassical and Keynesian). At the end of the course students are expected to:

* know the fundamental forces that regulate an economic system, with particular regard to the forces determining functional income distribution (rents, wages and profits), the prices of goods, the employment of the labour force, and the general price level;
* distinguish the neoclassical from the classical-keynesian approach;
* understand how and why these views lead to different interpretations of current economic issues.

***COURSE CONTENT***

Introduction – A brief historical excursus

* The subject of political economy
* Classical political economy: Smith, Ricardo and Marx
* Neoclassical economics

 Microeconomics

* Consumer theory: preferences, choice, commodities demand functions, factors supply functions
* Firms: technology, choice, commodities supply functions, factors demand functions
* Perfect competition
* Monopoly

 Macroeconomics

* Definition of the main aggregate variables
* Neoclassical macroeconomic model (full-employment equilibrium)
* Keynesian principle of effective demand
* Keynesian macroeconomic model (under-employment equilibrium)
* Fiscal and monetary policies
* Public debt and its ‘sustainability’

the reappraisal of classical political economy

* Introduction to Sraffa’s theoretical framework

***READING LIST***

E. Bellino, *Appunti delle lezioni di* ***Economia politica***, available on the Blackboard page of the course.

Further readings will be assigned during the course and published on the Blackboard page of the course.

***TEACHING METHOD***

Lectures and collective discussions on current economic issues.

***ASSESSMENT METHOD AND CRITERIA***

Midterm and final exams. The exams are in the form of open questions on the course content. Each question, with its specific weight according to the content, will contribute to the final mark. The final mark will be identified on the basis of the sum of the marks obtained for each question, but will take into account other elements, such as the appropriate use of the analytical tools presented in class, the logical rigor followed in obtaining the results and the understanding of their economic relevance that can be deduced from the performance of the test.

A mid-term exam will be administered at the end of the first part of the course. Whoever passes the mid-term exam may take the final exam by taking a second written test on the remainder of the course. Those who do not take or pass the mid-term must take a single exam that covers the entire course.

***NOTES AND PREREQUISITES***

Since this is an introductory course, no previous knowledge is required. Mathematical notions useful for understanding the course will be covered in class. Attending the lectures is not compulsory, but is strongly recommended.

***TIME AND PLACE OF STUDENTS RECEPTION***

Refer to the professor's personal webpage at <http://docenti.unicatt.it/> for office hours.