**Economic Policy**

Professors Paolo Rizzi - Silvia Platoni

**Principles od Economic Policy**

Professor Paolo Rizzi

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

The aims of the course are to provide students with both theoretical and empirical analysis tools to understand the objectives and tools of microeconomic and redistributive policies. At the end of the course, the student will be able to:

* know the fundamental concepts of the discipline such as the economy of the wealth, the antitrust policies, the externalities, the public goods
* know the methodologies of the discipline, such as the functions of social welfare
* apply concepts and methodologies acquired within the national and international economic context
* independently deepen the knowledge and applications acquired in particular to understand the processes of definition and the effects of economic policies
* present the foreground to third parties, in particular in the analysis of the effects of economic policies
* critical elaboration of models for the analysis and evaluation of economic policies

***Course content***

1. Fundamentals of economic policy:

* Theoretical aspects
* Microeconomic and macroeconomic objectives
* Economic-policy instruments

1. The fundamentals of welfare economics:

* Pareto criterion
* Welfare economics: fundamental theorems
* The school of political economy

1. Market failures:

* Market power and antitrust policies
* Externalities
* Public goods and merit goods
* Information asymmetries

1. Policies for re-distribution of income
2. Social welfare

***Reading list***

R. Cellini, *Politica Economica. Introduzione ai modelli fondamentali*, McGraw-Hill, Milano, 2019.

Other study materials (presentations, articles, papers) will be indicated in the classroom and made available on the Blackboard platform dedicated to the course.

***TEACHING METHOD***

Lectures, group works and collective discussion of cases from the press and the web.

***ASSESSMENT METHOD***

Learning outcomes are assessed through a written test (33% of the evaluation), a group project work (33% of the evaluation) and an individual assignment (33% of the evaluation).

The final written test is divided into open questions and multiple choice questions.

The group project work consists of a written report and is presented in the classroom. The individual assignment consists of a written report.

The evaluation shall be expressed in terms of a final vote on the basis of the following criteria: use of the appropriate vocabulary, analytical ability, deepening of acquired knowledge and critical processing skills.

***NOTES AND PREREQUISITES***

Attendance to classes is strongly recommended.

Essential prerequisite is the course of Microeconomics.

Information on office hours are available *on line* on the teacher’s personal page at <http://docenti.unicatt.it>.

**International Monetary Economics**

Professor Silvia Platoni

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

The course mainly aims to provide the basic notions of (1) international trade theory concerning trade flows among countries and (2) international monetary economics concerning the economic, financial, and monetary relations of an economic system with the rest of the world.

By the end of the course, the student:

* will have acquired knowledge and will have developed understanding and learning skills of the dynamics and determinants of international trade, as well as of the economic policy interventions in foreign relations, necessary both for post-graduate studies and for a professional approach at work;
* will be able to critically interpret, to formulate autonomous judgments, and to communicate the main international economic issues and the underlying logic of the relevant intervention policies.

***Course content***

Introduction to open-economy microeconomics and open-economy macroeconomics

The international trade theory:

1. the Ricardian model
2. increasing returns to scale and the monopoly
3. the monopolistic competition
4. the oligopoly (the duopoly)
5. the Heckscher-Ohlin model and the specific factor model

The international monetary economics

1. the internationalization of firms, the balance of payments, and the market exchange rates
2. exchange rates, prices, and interest rates
3. the trade balance and exchange rate changes (Marshall-Lerner)
4. objectives of the Central Bank: the Barro-Gordon model and the Taylor rule
5. the macroeconomic equilibrium: the Mundell-Fleming model, the AS-AD model, and the monetary model

***Reading list***

The recommended text is S. Platoni, *Economia Monetaria e Internazionale*, notes available at the Blackboard platform <http://ilab.unicatt.it/ilab-blackboard-per-gli-studenti-accesso-a-bb-icatt>. Furthermore, especially for non-attending students, the additional recommended textbook is G. De Arcangelis, *Economia Internazionale*, McGraw-Hill, most recent edition.

The detailed list of chapters, as well as readings and other references to support teaching, will be provided during the course and they will be available on the Blackboard platform <http://ilab.unicatt.it/ilab-blackboard-per-gli-studenti-accesso-a-bb-icatt>.

***Teaching method***

In the class lectures the topics are first introduced from a purely theoretical point of view, and then deepened through exercises aimed at assimilating the topics themselves.

***Assessment method AND CRITERIA***

The exam is a written examination, and it consists of two theoretical questions related to the two parts of the course and one practical question (exercise). Each question carries a maximum score of 10/30 points.

The reasoning skills, the synthesis ability, and the analytical rigor on the topics covered in the course will be assessed.

***NOTES AND PREREQUISITES***

Lecture attendance is not compulsory, but strongly recommended. A basic knowledge of microeconomics and macroeconomics is required.

Information on office hours is available *on line* on the teacher’s personal page at <http://docenti.unicatt.it/eng/silvia_platoni/>.