



UNIVERSITÀ DEGLI STUDI DI PALERMO

DEPARTMENT	Scienze Economiche, Aziendali e Statistiche		
ACADEMIC YEAR	2018/2019		
BACHELOR'S DEGREE (BSC)	BUSINESS ECONOMICS AND ADMINISTRATION		
SUBJECT	ECONOMIC POLICY		
TYPE OF EDUCATIONAL ACTIVITY	B		
AMBIT	50067-Economico		
CODE	05718		
SCIENTIFIC SECTOR(S)	SECS-P/02		
HEAD PROFESSOR(S)	MAZZOLA FABIO	Professore Ordinario	Univ. di PALERMO
OTHER PROFESSOR(S)			
CREDITS	8		
INDIVIDUAL STUDY (Hrs)	132		
COURSE ACTIVITY (Hrs)	68		
PROPAEDEUTICAL SUBJECTS	02796 - POLITICAL ECONOMICS		
MUTUALIZATION	ECONOMIC POLICY - Corso: ECONOMIA E FINANZA ECONOMIC POLICY - Corso: ECONOMICS AND FINANCE		
YEAR	3		
TERM (SEMESTER)	2° semester		
ATTENDANCE	Not mandatory		
EVALUATION	Out of 30		
TEACHER OFFICE HOURS	MAZZOLA FABIO Monday 12:30 13:30		

DOCENTE: Prof. FABIO MAZZOLA

PREREQUISITES	Students should have completed Microeconomic Principles (or equivalent) and Macroeconomic Principles (or equivalent).
LEARNING OUTCOMES	At the end of the course students are expected to achieve the following objectives: Knowledge and understanding of: a) the theory of economic policy and its application in practice at the present time; b) the rationale for public intervention in the economy; c) the role of institutions in the policymaking process; d) tools used by governments to pursue desired outcomes; Applying knowledge and understanding: a) Ability to assess, within an economic framework, the behavior and rationality of public and private agents; b) Ability to identify reasons why the government might choose to intervene in the economy; c) Ability to identify the most appropriate mix of policy instruments to achieve selected targets; d) demonstrate a clear understanding of the major economic policy issues in advanced and developing countries; e) demonstrate an understanding of how theories have evolved over the time. Making judgments on the performance of the economic policy interventions; be able to read, understand empirical evidence (at a nontechnical level) related to the policymaker's action. Communication skills: ability to explain the reasons behind public intervention in the economy; Learning skills: a) ability to understand the theoretical framework underlying the policy action; b) ability to evaluate the effectiveness of policy interventions.
ASSESSMENT METHODS	Written test and oral examination. EVALUATION METHODS: The result of the test will be considered: EXCELLENT (30-30 cum laude) if the student will show excellent knowledge of the topics, excellent property of language, good analytical capacity, and the ability to apply the knowledge to solve the problems submitted; VERY GOOD (26-29) if the student shows good mastery of the subject, full property of language and the ability to apply the knowledge to solve the problems submitted; GOOD (24-25) if the student will show to have basic knowledge of the main topics, fairly good property of language, limited ability to independently apply the knowledge for the solution of the problems submitted; MORE THAN SUFFICIENT (20-23) if the student will show not to have full mastery of the main arguments but a good understanding of the same, satisfactory property of language, lack of ability to independently apply the knowledge acquired; SUFFICIENT (18-19) where the student will show minimum basic knowledge of the main teaching and technical language issues, minimum ability to apply the knowledge acquired; INSUFFICIENT if the student does not have an acceptable knowledge of the contents of the topics covered in the teaching.
EDUCATIONAL OBJECTIVES	The aims of this course are to: a) analyze the main topics on economic policy including topics related to the European Monetary Union; b) develop skills in order to understand the reasons why the policy maker might choose to intervene in the economy and assess its impact on the whole economy; c) present a framework of the main theories underlying policy interventions.
TEACHING METHODS	Frontal teaching and practice.
SUGGESTED BIBLIOGRAPHY	Selezione di capitoli dai seguenti testi: R. Cellini (2011). <i>Politica Economica. Introduzione ai modelli fondamentali</i> . Seconda edizione, McGraw-Hill. De Grauwe, P. (2013, nona edizione), <i>Economia dell'Unione monetaria</i> , Bologna, Il Mulino. Dispense (disponibili al centro stampa di Economia) a supporto delle esercitazioni in aula. Eventuale materiale aggiuntivo sara' reso disponibile durante le lezioni. Bibliografy: Selection of chapters from: R. Cellini (2011). <i>Politica Economica. Introduzione ai modelli fondamentali</i> . Seconda edizione, McGraw-Hill. De Grauwe, P. (2013, nona edizione), <i>Economia dell'Unione monetaria</i> , Bologna, Il Mulino (also available in English) Additional materials will be provided during the course

SYLLABUS

Hrs	Frontal teaching
2	Economic policies and the conflict between objectives
2	Fundamental theorems of welfare economics
2	Markets and wealth: microeconomic and macroeconomic objectives
2	Market power, market failure and the antitrust laws
2	Externalities
2	Public goods
2	Merit and demerit goods
2	Income distribution and social welfare

SYLLABUS

Hrs	Frontal teaching
2	The ideological conflicts between Keynesian and classical economics
2	Disequilibrium economics
2	The IS-LM and AS-AD models: reviews
3	Fiscal policies
3	Money and monetary policies
2	Wages, prices and employment: the Phillips curve and labor market policies
2	Inflation dynamic and disinflationary policies
2	The balance of payments and exchange rate regimes
2	Macroeconomic policies in an open economy: the Mundell-Fleming model
2	The IS-LM-BP model
2	Costs and benefits of a common currency
2	The theory of Optimum Currency Areas
2	Costs and benefits EMU
2	Monetary policies in the EMU
2	Fiscal policies in the EMU
Hrs	Practice
2	Objectives and instruments of economic policies: The Tinbergen rule
2	Economic policies under uncertainty: theory and practice
2	Game theory and strategic interdependence between private agents and the government
2	Policy rules, discretionary policies and time inconsistency: theory and practice
2	Targets and Instruments of Macroeconomic Policy: fixed target approach
2	Solving economic policy problems using fixed target approach (part 1)
2	Solving economic policy problems using fixed target approach (part 2)
2	Targets and Instruments of Macroeconomic Policy: flexible target approach
2	Solving economic policy problems using flexible target approach (part 3)
2	Solving economic policy problems using flexible target approach (part 4)