CURRENT SOCIOECONOMIC CONTEXT

TEACHING GUIDE

[2022-2023]

"UNIVERSITY MASTER'S PROGRAM IN BUSINESS ADMINISTRATION AND MANAGEMENT"

GENERAL DETAILS

Name:	Current Socioeconomic Context
Code:	801500
Academic Year:	2022-23
Degree:	University Master's Program in Business Administration and Management
No. of credits (ECTS):	5
Requirements:	No previous requirements
Location in the curriculum:	1st quarter
Last revision date:	October 2022
Lecturer in Charge:	PhD Àlex Sanz Fernández

1   GENERAL DESCRIPTION

The subject area makes a theoretical and practical journey through the various concepts related to economic and social aspects that exist in countries at a particular level and globally that affect business development.

In the introductory aspects, the subject is focused on understanding what the most important macroeconomic and microeconomic variables should be in order to be monitored from the business perspective to avoid surprises that cannot be controlled and that are possible threats to the proper development of business.

Throughout the first six sessions, the student will be helped to understand and interpret the most relevant variables at the international level, at the country level and at the market level that could positively or negatively affect business management. Students must develop their own analysis of the socioeconomic environment of their business plan or of the country where their business project will be developed. The last two sessions will be devoted to the study of the labour market, a fundamental element in any economy. In these sessions, students will learn to interpret the main indicators of the labour situation in a country, and will learn about the characteristics and economic effects of labour regulations.

2   OBJECTIVES

- ▪ Provide students with a comprehensive perspective of the main economic variables that they need to take into account when planning the company's management.

- Link economic notions, both micro and macroeconomic, as a decisive factor in the success of the business project.

- Make known and teach the databases, also bibliographic, necessary for the analysis of the evolution of international economic-financial variables.

- Present to the students the advantages of reading and understanding the contents of the main reports on the economic environment of the principal international organizations (IMF, OECD, World Bank, WTO) and Central Banks.

- Develop critical capacity in students in relation to the actions of economic authorities, with special attention to monetary and fiscal policy.

CONTENTS

CHAPTER I: BASIC CONCEPTS

UNIT 1. MAIN ECONOMIC INDICATORS

Learning outcome:

Once this subject is brought to light in class and worked on, students will be able to:

- Analyse the most relevant macroeconomic variables to compare them between countries.
- Argue about the benefits or failures of large economic aggregates to effectively measure socio-economic well-being.
- Contrast the socio-economic reality of various countries and conclude on their status.

Contents:

1.1. What is the economic environment?
    1.1.1. The concept of Added Value: creation, distribution and expenditure.
    1.1.2. State intervention in the economy: taxes, subsidies and public spending.
    1.1.3. Exchanges overseas and the economic result: GDP, GNI, AGNI.
1.2. The Gross Domestic Product (GDP) as a measure of the country's economic well-being.
1.3. HDI-GINI coefficient.
1.4. Social indicators
1.5. Comparison between countries.

UNIT 2. AGGREGATE DEMAND – AGGREGATE SUPPLY MODEL

Learning outcome:

Worked on and discussed the topic in class, the students will be able to:
- Interpret the evolution of the Spanish labour market before and after the Great Recession and compare it with the labour market of other economies.
- Analyze the Phillips curve and understand the short-run trade-off between inflation and unemployment.

Contents:

2.1. Business cycle.
2.2. Time horizons.
2.3. Aggregate demand.

2.4 Aggregate supply.
2.5 Stabilization policy.

CHAPTER II: MACROECONOMIC POLICIES AND THEIR IMPACT ON THE ECONOMY

UNIT 3. ECONOMIC POLICIES

Learning outcome:

Discussed and practiced in class, students will be able to:
- Analyse the type of policies applied in their own countries and argue about their effectiveness.
- Contrast the policies applied in one country with those applied in another.
- Explain the operation of fiscal policy, monetary policy, exchange rate policy, and supply policy.

- Assess the application of a specific policy in a specific territory.

Contents:

3.1. Introduction to economic policies.
3.2. Fiscal policies.
    3.2.1 Taxes and subsidies.
    3.2.2 Expansive Vs Restrictive policies.
3.3. Monetary policies. Role of central banks.
    3.3.1 Money creation.
    3.3.2 Expansive Vs Restrictive policies.

UNIT 4. IMPACT OF ECONOMIC POLICIES.

Learning outcome:

At the end of the presentation, the debate and the practices of application of the contents of this topic, the students will be able to:
- Criticize current economic policies.
- Evaluate the result of economic policies.
- Predict the general behaviour of the economy and in particular, of your own country when there are changes in monetary and/or policies.

Contents:

4.1. Keynessian Cross.
4.2. Impact of fiscal policies.
4.3. Impact of monetary policies.

CHAPTER III: OTHER MACROECONOMIC CONCEPTS

UNIT 5: THE TRADE-OFF BETWEEN INFLATION AND UNEMPLOYMENT.

Learning outcomes

- Analyze the macroeconomic equilibrium of an economy.
- Demonstrate knowledge of the different types of fiscal policies that the government can implement.
- Calculate and understand the spending multiplier and its implications on the effectiveness of the fiscal policy.
- Identify the effects of the fiscal policy and its success to smooth the business cy
- Identify the effects of the monetary policy and its success to smooth the business cycle.

Contents:

5.1. Inflation, unemployment and the Phillips Curve.
5.2 Short run trade-off between inflation and unemployment.

UNIT 6. FOREIGN TRADE

Learning outcome:

Worked on and discussed the topic in class, the students will be able to:
- Analyse a country's Balance of Payments.
- Compare the Balance of Payments of different countries and assess the differences.
- Explain the export capacity of the countries and justify their strengths and weaknesses.
- Compare the situation of foreign trade (openness coefficient) of various countries and conclude regarding its relationship with the level of development.

Contents:

6.1. Balance of Payments.
6.2. Foreign trade.

3 TEACHING AND LEARNING METHODOLOGY

Teaching is carried out through a series of face-to-face sessions, whose spirit is to combine theory and practice in a balanced way, complemented with a series of didactic materials (manual and presentation), exercises and cases for their resolution,

The face-to-face activities that will be carried out through:

- Presentation by the teacher of the contents of the different themes of the subject area.
- The student is encouraged to present their ideas and everyone to participate in the content debate, after reading the content of the program days before.
- Application of the concepts and methodologies to examples from various countries.

Learning will be consolidated by analysing cases, evaluating it and providing feedback to the student on its scope.

The student will be involved so that they become interested in the profound knowledge of macro-magnitudes.

The student is invited to read reports, documents and books to deepen each topic, being an element of assessment.

4 ASSESSMENT

In accordance with the Bologna Plan, the model rewards the constant and continuous effort of the student body. For the 2020-21 academic year, 60% of the grade for the subject area is obtained from the continuous evaluation of the supervised activities and the remaining 40% from the face-to-face final exam. There is a notice for the final exam.

The final mark for the subject area (FM) will be calculated from the following formula:

- **FM = Final Exam Mark x 40% + Continuous Assessment Mark x 60%**
- Minimum mark of the final exam to calculate the FM will be 40 points out of 100.
- The subject area is passed with a FM equal to or greater than 50 points out of 100.

5   BIBLIOGRAPHY

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Mancha T, Economía mundial y española, ediciones CEF, 2013.

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O'Kean J, Entorno económico de los negocios, Create Space Independent Publishing Platform, 2015.

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