



Degree in Business Economics Academic year 2015/16

Economic Policy (Year II, semester II, 6 credits)

Name of the teacher: Prof. Giuseppe Di Vita

Student receiving place: Palazzo delle scienze – C.so Italia, 55 - Catania

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Student receiving timetable: : TUE and THU 15-16 previous appointment by email.

General Objectives of teaching in terms of expected results of learning

KNOWLEDGE AND UNDERSTANDING

- of the rationale for public intervention in the economy;
- of the role played by institutions in the context of economic policy;
- of the effect of the economic policy actions in specific contexts, such as the labor markets;

APPLYING KNOWLEDGE AND UNDERSTANDING

- Ability to perform an analysis of the economic behavior of public and private agents;
- Ability to evaluate the role of government and the need for political and economic interventions in market economies;
- Ability to formulate objectives of economic policy, evaluate their results, and use available information to evaluate the adequacy of policies adopted in specific cases;

MAKING JUDGMENTS

- on the appropriate theoretical frameworks and tools to evaluate economic policy actions in specific contexts;

COMMUNICATION SKILLS

- to present in a consistent and clear way the rationale and the effects of public intervention in the economy;

LEARNING SKILLS

- ability to understand the theoretical framework to assess the public intervention in the economy;
- ability to evaluate the empirical evidence and connect it to specific policy contexts

Pre- requisites

The frequency of the courses Economics 1 is warmly suggested in order to properly follow these lectures

Teaching organization/ methods

Frontal lectures, exercises, etc

Attendance

Suggested, but not required

Reference texts

1. Cellini R., *Politica Economica. Introduzione ai modelli fondamentali*. McGraw-Hill, Milano, II edizione, 2011

Evaluation

If provided, in itinere evaluation

N/A

If provided, final term evaluation

N/A

Evaluation dates

<http://www.economia.unict.it/Didattica/Diario-esami>

Way of

web link and/or description, better in STUDIUM



Course syllabus

Economic policy and conflicts. The normative theory of economic policy. The economics of welfare. The objectives of the new welfare economics. The microeconomic failures of the market. The market power and the antitrust policy; strategic interdependence like a source of market failure. Public goods. The level of the aggregate income in the fundamental models of the macroeconomic analysis. The fiscal policy. The role of money and the monetary policy. Inflation and the anti-inflation policy. The Phillips curve and the theoretical debate on the Phillips curve. Growth and development policy. The balance of payments and currency rates. Macroeconomic policy in open markets: the IS-LM-BP model. The main European institutions and economic policies. The economic policy in the era of globalization.

Topics	Reference text
1.Introduction to economic policy*	Cellini (2011) cap.1
2.Agents and goals of economic policy*	Cellini (2011) cap.2
3.Models of policy modelling*	Cellini (2011) cap.3
4.The welfare functions and their evolution*	Cellini (2011) cap.4
5.Microeconomic sources of market failure*	Cellini (2011) cap.5
6. The failure of government economic policy *	Cellini (2011) cap.7
7. Anti-trust policies in Europe and United States*	Cellini (2011) cap. 8
8. Strategic interdependence and game theory	Cellini (2011) cap. 9
9. Public goods*	Cellini (2011) cap. 10
10. The model AD-AS*	Cellini (2011) cap. 17
11. Exchange currency regimes*	Cellini (2011) cap. 17
12.The Keynesian multiplier of income*	Cellini (2011) cap. 18
13. Investments determinants*	Cellini (2011) cap. 19
14.Ricardo equivalence theorem*	Cellini (2011) cap. 20
15.Fiscal systems*	Cellini (2011) cap. 21
16. International trade*	Cellini (2011) cap. 23
17. International movements of capital*	Cellini (2011) cap. 24
18.Monetary policy*	Cellini (2011) cap. 25
19. Balance of International payments*	Cellini (2011) cap. 26
20. European Union	Cellini (2011) cap. 27

Typical/frequent questions/exercises



1 The characteristics of public goods

2 The externalities

3 The anti-trust policies

4 The quantitative easing policy measure
