



# UNIVERSITÀ DEGLI STUDI DI PALERMO

|                                     |   |                                    |                  |
|-------------------------------------|---|------------------------------------|------------------|
| <b>DEPARTMENT</b>                   | Scienze Economiche, Aziendali e Statistiche   |                                    |                  |
| <b>ACADEMIC YEAR</b>                | 2020/2021   |                                    |                  |
| <b>BACHELOR'S DEGREE (BSC)</b>      | TOURISM SCIENCE   |                                    |                  |
| <b>SUBJECT</b>                      | ECONOMIC POLICY   |                                    |                  |
| <b>TYPE OF EDUCATIONAL ACTIVITY</b> | B   |                                    |                  |
| <b>AMBIT</b>                        | 50038-Discipline economiche e aziendali   |                                    |                  |
| <b>CODE</b>                         | 05718   |                                    |                  |
| <b>SCIENTIFIC SECTOR(S)</b>         | SECS-P/02   |                                    |                  |
| <b>HEAD PROFESSOR(S)</b>            | CUSIMANO<br>ALESSANDRO  | Ricercatore a tempo<br>determinato | Univ. di PALERMO |
| <b>OTHER PROFESSOR(S)</b>           |   |                                    |                  |
| <b>CREDITS</b>                      | 6   |                                    |                  |
| <b>INDIVIDUAL STUDY (Hrs)</b>       | 102   |                                    |                  |
| <b>COURSE ACTIVITY (Hrs)</b>        | 48  |                                    |                  |
| <b>PROPAEDEUTICAL SUBJECTS</b>      |   |                                    |                  |
| <b>MUTUALIZATION</b>                |   |                                    |                  |
| <b>YEAR</b>                         | 3   |                                    |                  |
| <b>TERM (SEMESTER)</b>              | 2° semester   |                                    |                  |
| <b>ATTENDANCE</b>                   | Not mandatory   |                                    |                  |
| <b>EVALUATION</b>                   | Out of 30   |                                    |                  |
| <b>TEACHER OFFICE HOURS</b>         | CUSIMANO<br>ALESSANDRO<br>Monday 11:00 14:00 Dipartimento SEAS - V Piano - Stanza n.3 |                                    |                  |

DOCENTE: Prof. ALESSANDRO CUSIMANO

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|-------------------------------|---|
| <b>PREREQUISITES</b>          | Students should have completed Microeconomic Principles (or equivalent) and Macroeconomic Principles (or equivalent)  |
| <b>LEARNING OUTCOMES</b>      | 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. |
| <b>ASSESSMENT METHODS</b>     | 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.  |
| <b>EDUCATIONAL OBJECTIVES</b> | 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 the impact of the policy action on the whole economy; c) present a framework of the main theories underlying policy interventions.   |
| <b>TEACHING METHODS</b>       | Frontal teaching  |
| <b>SUGGESTED BIBLIOGRAPHY</b> | Selezione di capitoli dai seguenti testi:<br>Cellini (2011). Politica Economica. Introduzione ai modelli fondamentali. Seconda edizione, McGraw-Hill.<br>De Grauwe, P. (2013, nona edizione), Economia dell'Unione monetaria, Bologna, Il Mulino<br>Materiale didattico aggiuntivo sara' eventualmente distribuito durante le lezioni.<br><br>Selection of chapters from:<br>R. Cellini (2011). Politica Economica. Introduzione ai modelli fondamentali. Seconda edizione, McGraw-Hill.<br>De Grauwe, P. (2013, nona edizione), Economia dell'Unione monetaria, Bologna, Il Mulino (also available in English)<br>Additional materials will be eventually 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   | The ideological conflicts between Keynesian and classical economics |

## SYLLABUS

| Hrs | Frontal teaching   |
|-----|--|
| 2   | Disequilibrium economics   |
| 2   | The IS-LM and AS-AD models: reviews  |
| 3   | Fiscal policies and income distribution                                    |
| 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   |
| 2   | Policy rules, discretionary policies and time inconsistency                |