



APPLIES TO ACADEMIC YEAR 2003/2004

## EXC 2305 Macroeconomics

### Program

N/A

### Responsible for the course

Terje Synnestvedt

### Department

Economics

### Term

According to study plan

### ECTS Credits

6

### Objective

The main goal is to give an introduction to macroeconomics such that participants are able to understand and address important issues related to the macroeconomy and economic policy in Norway and other industrialised countries. In particular, the course aims at

- explaining the most important concepts and relationships in the income and product accounts (national accounts)
- explaining the fundamental difference between the real economy on the one hand, and the monetary system and nominal variables on the other
- giving an introduction to theories of economic growth, macroeconomic fluctuations (business cycles), unemployment, interest rates, exchange rates, and inflation
- explaining how fiscal and monetary policy affect the macroeconomy in a small open economy like Norway.

### Prerequisites

No particular prerequisites are required.

### Compulsory literature

Blanchard, O. 2003. *Macroeconomics*. 3rd int. ed. Upper Saddle River, N.J.: Prentice Hall.

### Recommended literature

#### Course outline

1. Overview of the subject area of economics
  - microeconomics and macroeconomics
  - market, supply, demand, equilibrium
2. Elementary macroeconomics
  - national accounts concepts
  - economic growth and sustainable development
  - Keynes' basic multiplier model
  - export and import
3. Monetary and fiscal policy concepts
  - on the money market
  - the IS-LM model
  - the budgetary balance of public budgets
  - fiscal and monetary policy in practice
4. Stabilization policy in an open economy
  - the currency market
  - fiscal and monetary policy in a situation of free capital movements
5. Elaboration of the basic macroeconomic models
  - inflation, the Phillips Curve
  - the AD/AS model

**Computer-based tools**

The use of computer-based tools is not compulsory in this course. Such tools, however, can be used to exemplify and visualize some of the central problems dealt with in the course. Students may choose to use computer-based tools at the examination, which implies that they should have a PC at their disposal.

**Course structure**

The course is based on 36 teaching hours of lectures + 9 hours of exercises. In addition 3 hours will be used to give the students guidelines on how to write a home exam. The course is also offered as distance teaching. Students who attend the part-time model should contact their college for further information.

**Evaluation**

The course ends with a 72-hour take-home examination to be performed individually or by groups of up to three students. Where appropriate the use of computer-based tools is allowed to solve the examination assignment.

**Evaluation code(s)**

EXC 23051 - take-home exam, which accounts for 100% of the grade in EXC 2305, 6 ECTS credits.

**Aids at the examination**

All aids are allowed.

**Makeup exam**

A re-sit is held in connection with the next scheduled exam in the course.