



APPLIES TO ACADEMIC YEAR 2003/2004

## SØK 2300 Economics III - Macroeconomics II

### Program

Master of Business and Economics Program

### Responsible for the course

Erling Steigum

### Department

Economics

### Term

According to study plan

### ECTS Credits

6

This course is an intermediate course in macroeconomics, building on Economics I and II.

### Objective

The main objective of this course is to give students a deeper understanding of macroeconomic questions that are important for economic policy in a small open economy like the Norwegian. A central theme is the question: Which economic policy gives the best prospects for sustainable economic growth and macroeconomic stability? Here, the special role of the petroleum revenues for Norwegian fiscal policy will be taken into consideration. The strategy for spending petroleum revenues also has implications for industrial structure and structural policies.

Stabilization policy is another important theme in this course. One issue is fiscal policy rules. Another is the effects of monetary and fiscal policy on inflation and business cycles under flexible exchange rates and high international capital mobility. Special attention will be devoted to flexible inflation targeting as a framework for monetary policy.

### Prerequisites

Economics I and II

### Compulsory literature

Steigum, Erling. 2003. *Moderne makroøkonomi*. Oslo: Gyldendal Akademisk.  
A collection of articles.

### Recommended literature

### Course outline

Interest rates, financial markets and business cycles  
Flexible exchange rates and macroeconomic stability  
Inflation and business cycles  
Stabilization policy  
Flexible inflation targeting  
Conditions for sustainable economic growth  
Petroleum revenues, industrial structure and structural policies  
Globalization and economic policy

### Computer-based tools

None

### Course structure

36 hours with lectures and 6 hours exercises.

### Evaluation

A five-hour written examination completes the course.

**Evaluation code(s)**

SØK 23001

**Aids at the examination**

Non programable calculator

**Makeup exam**

Next ordinary exam