



APPLIES TO ACADEMIC YEAR 2003/2004

SØK 2301 Applied macroeconomics and financial change

Program

N/A

Responsible for the course

Emanuel Blattner, Sverre Knutsen, Anders Tveit

Department

Economics

Term

According to study plan

ECTS Credits

15

Objective

The course aims to offer perspectives on the development and function of the financial system and knowledge of societal conditions and contexts that are vital for personnel in the financial service industry. This objective will be fulfilled with the students' completion of the two course sections "Applied macroeconomics" and "Financial change".

Prerequisites

The course is based on knowledge acquired in the Foundation Program in Business Administration or equivalent.

Compulsory literature

Mishkin, Frederic S. 2003. *The economics of money, banking and financial markets*. 6th ed. update. Boston, Mass.: Addison Wesley .
Ecklund, G. og S. Knutsen. 2000. *Vern mot kriser? Norsk finanstilsyn gjennom 100 år*. Bergen: Fagbokforlaget.
Knutsen, S., red. 2002. *Kompendium/artikkelsamling i finanshistoriske emner*. Sandvika: Handelshøyskolen BI.
Articles which are announced at the beginning of term.

Recommended literature

Blattner, Emanuel og Tveit, Anders. 2003. *Deltakermanual TOPSIM Macroeconomics, versjon 6.0* : Kompendium. Sandvika: Handelshøyskolen BI, Kompetanseteam for IKT basert læring.

Course outline

See under "Tilleggsinformasjon"

Computer-based tools

A macroeconomic simulation model is used in section 1.

Course structure

The course is based on 90 teaching hours organized in two sections:

Section 1: Applied macroeconomics 7,5 credits
Section 2: Financial change 7,5 credits

The evaluation forms have been provided in order to give students regular feedback. This is done by:

- Written send-ins I: individual task with deadline after approximately one month.
- Written send-ins II: individual task with deadline after approximately two months.

Send-ins will only be given comments. The exact date for send-ins will be given at the beginning of the course.

Evaluation

The course is concluded with a 30 minutes individual oral exam and a six hour individual written exam.

Part of oral exam will be to defend send-ins.

Evaluation code(s)

SØK 23012 Written exam accounts for 50% of the marks in the course SØK 2301, 15 credits.
SØK 23011 Oral exam accounts for 50% of the marks in the course SØK 2301, 15 credits.
Approved course when passed send-ins, oral exam and written exam.

Aids at the examination

A programmed calculator is permitted at written exam.
No aids permitted at oral exam.

Makeup exam

Make up examinations are held in the next ordinary course.

Section 1: Applied macroeconomics

Objectives of the course are to understand the behaviour of interest rates in financial markets. An important issue will be the connection between the goods –, financial markets and interest rates. Central banking and the conduct of monetary policy and the impact of companies, financial institutions and the government on the economy will also be discussed. The course includes a macroeconomic simulation model in which the students "take over" leading positions in government, central bank, banks and companies.

Compulsory literature

Mishkin, Frederic S. 2003. *The economics of money, banking and financial markets* . 6th ed. update. Boston, Mass.: Addison Wesley .
Blattner, Emanuel og Tveit, Anders. 2003. *Deltakermanual TOPSIM Macroeconomics, versjon 6.0* : Kompendium. Sandvika: Handelshøyskolen BI, Kompetanseteam for IKT basert læring.

Topics

Simulation model: TOPSIM Macro-Economics II

Understanding interest rates
The behaviour of interest rates
Interest rates of fixed payment loans and bonds
Valuation of fixed payment loans
The exchange rate and the foreign exchange market
Central banking and the conduct of monetary policy
IS LM Model
AD AS Model
Money and Inflation

Section 2: Financial change

The objective of section 2 of the course is to understand the economics of financial institutions and - markets and their function in the economy in a historical perspective.

Compulsory literature

Mishkin, Frederic S. 2003. *The economics of money, banking and financial markets* . 6th ed. update. Boston, Mass.: Addison Wesley .
Ecklund, G. og S. Knutsen. 2000. *Vern mot kriser? Norsk finanstilsyn gjennom 100 år*. Bergen: Fagbokforlaget.
Knutsen, S., red. 2002. *Kompendium/artikkelsamling i finanshistoriske emner*. Sandvika: Handelshøyskolen BI.
Artikler som oppgis ved semesterstart.

Topics

The emergence of modern financial institutions, 1850-1920
Monetary policy and currency regimes, 1875 - until today.
Financial crises
Regulation and supervision of financial institutions and - markets
Internationalization of financial markets before 1920 and after WW 2
Finance and economic growth