



APPLIES TO ACADEMIC YEAR 2004/2005

## SØK 2484 Macroeconomics

### Program

Bachelor's Program in Arts and Management, Bachelor of Management, Bachelor's Program in International Marketing, Bachelor of Management, Bachelor's Program in Market Communication, Bachelor of Management, Bachelor's Program in Marketing, Bachelor of Management, Bachelor's Program in Public Relations, Bachelor of Management, Bachelor's Program in Retail Management, Bachelor of Management, Bachelor's Program in Tourism and Service Management, Bachelor of Management, Bachelor in Business Administration, Bachelor of Management, Bachelor of Business Administration Program in Auditing, Bachelor of Management, Bachelor of Business Administration Program in banking and Finance, Bachelor of Management, Bachelor of Business Administration Program in Business Journalism, Bachelor of Management, Bachelor of Business Administration Program in Business Law, Bachelor of Management, Bachelor of Business Administration Program in Finance, Bachelor of Management, Bachelor of Business Administration Program in Insurance, Bachelor of Management, Bachelor of Business Administration Program in IT-management, Bachelor of Management, Bachelor of Business Administration Program in Real Estate, Bachelor of Management, Bachelor of Science in Business (1. year), Bachelor of Management, Bachelor of Science in Marketing (2. year), Bachelor of Management, Foundation Program in Business Administration, Bachelor of Management

### Responsible for the course

Erling Steigum

### 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

Steigum, Erling. *Moderne makroøkonomi*. Oslo: Gyldendal akademisk. (utvalgte deler)

### Recommended literature

St. meld. nr. 1(2004-2005). Nasjonalbudsjettet 2005. Oslo: Finans-og tolldepartementet.

*Inflasjonsrapport*. Oslo: Norges Bank. (No. 2, 2004)

Steigum, E. og Robert Hansen. 2004. *Hjelper til Moderne makroøkonomi*, 1. utgave. Oslo: Gyldendal Akademisk.

### Course outline

1. National accounts and macroeconomics data
2. Foundation of long-run economic growth and the wealth of nations

3. Structural unemployment, price and wage formations
4. Money, exchange rates, interest rates and inflation in the long run
5. Business cycles, aggregate demand and fiscal policy in the short run
6. Financial markets, interest rates and monetary policy in the short run
7. The open economy: Capital mobility, exchange rates, business cycles and macroeconomic policy in the short run
8. Inflation and monetary policy: Inflation targeting by the Central Bank
9. Fiscal policy

#### **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 + 12 hours of exercises. It 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)**

SØK 24841 - take-home exam, which accounts for 100% of the grade in SØK 2484, 6 ECTS credits.

#### **Aids at the examination**

All aids are allowed.

#### **Makeup exam**

A makeup exam is held in every term.