



APPLIES TO ACADEMIC YEAR 2005/2006

EXC 2305 Macroeconomics

Program

Bachelor of Science in Business (1. year)

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 so 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 policies affect the macroeconomy in a small open economy like Norway.

Prerequisites

No particular prerequisites are required.

Compulsory literature

Books:

Blanchard, O. 2003. Macroeconomics. 3rd 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's 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 100% of the grade in EXC 2305
Macroeconomics, 6 credits.

Aids at the examination

All written aids are allowed.

Makeup exam

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