



APPLIES TO ACADEMIC YEAR 2005/2006

## SØK 2500 Applied macroeconomics and financial change

### Program

Bachelor in Business and Finance (3. year)

### Responsible for the course

Emanuel Blattner, Sverre Knutsen, Anders Tveit

### Department

Economics

### Term

According to study plan

### ECTS Credits

12

### 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

#### Books:

Ecklund, G. J. og S. Knutsen. 2000. Vern mot kriser? : norsk finanstilsyn gjennom 100 år. Bergen: Fagbokforl.

Mishkin, Frederic S.. 2004. The economics of money, banking and financial markets. 7th ed. Boston, Mass.: Addison Wesley

### Recommended literature

#### Other:

Blattner, Emanuel og Anders Anders. 2005. Kompendium - Deltakermanual TOPSIM Macroeconomics. Versjon 6.0. 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 72 teaching hours organized in two sections:

Section 1: Applied macroeconomics 6 credits

Section 2: Financial change 6 credits

The course includes a macroeconomic simulation model in which the students "take over" leading positions in government, central bank, banks and companies. Data material from the simulation is then used to study macroeconomic terms and relationships listed in the course outline. Actuality when it comes to Norwegian and international conditions will also be focused.

In the course there will be used electronic portfolio as part of work during the course and at the end as part of examination. Each student must establish an electronic portfolio placed openly

at Internet.

As part of process other students must evaluate each other's electronic portfolio.

Each student will work closely together with 4-6 other students during the course.

### **Evaluation**

The course is concluded with an until 30 minutes individual oral exam and an evaluation of final electronic portfolio.

### **Evaluation code(s)**

SØK 25001 - Process evaluation count for 100% to obtain final grade in the course SØK 2500, 12 credits.

### **Aids at the examination**

At final oral exam only a paper version of electronic portfolio is permitted.

### **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.

#### **Compulsory literature**

Mishkin, Frederic S. 2004. *The economics of money, banking and financial markets* . 7th ed. update. Boston, Mass.: Addison Wesley .

#### **Topics**

Understanding interest rates  
The behaviour of interest rates  
Interest rates of fixed payment loans and bonds  
Money and the money multiplier  
Monetary policy - Goals and targets  
International finance and monetary policy

### **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. 2004. *The economics of money, banking and financial markets* . 7th ed. update. Boston, Mass.: Addison Wesley .

Ecklund, G. og S. Knutsen. 2000. *Vern mot kriser? Norsk finanstilsyn gjennom 100 år*. Bergen: Fagbokforlaget.

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