



APPLIES TO ACADEMIC YEAR 2006/2007

SØK 2300 Economics III - Macroeconomics II

Program

Bachelor of Science in Business (3. year).

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

Books:

Steigum, Erling. 2004. *Moderne makroøkonomi*. Oslo: Gyldendal akademisk. (Kapittel 7-14)

Recommended literature

Books:

Steigum, Erling og Robert G. Hansen. 2005. *Hjelper til Moderne makroøkonomi*. 2. utgave. Gyldendal akademisk. 310 sider

Other:

Siste inflasjonsrapport fra Norges Bank
Siste Nasjonalbudsjett

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
- Population ageing, pensions and fiscal policy

Computer-based tools

Blackboard

Course structure

36 hours with lectures and 6 hours exercises.

Evaluation

A five hour individual written examination concludes the course.

Evaluation code(s)

SØK 23001 - Written exam counts 100% of the grade in the course SØK 2300 Economics III - Macroeconomics II, 6 credits.

Aids at the examination

Simple calculator.

Makeup exam

Next ordinary exam