



APPLIES TO ACADEMIC YEAR 2007/2008

## EXC 2305 Macroeconomics

### Program

Bachelor in Business Administration - (1. year)

### Responsible for the course

Hilde C Bjørnland

### Department

Economics

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

English

### 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 economies.

### Prerequisites

No particular prerequisites are required.

### Compulsory literature

#### Books:

Blanchard, O. 2006. Macroeconomics. 4th ed. Upper Saddle River, N.J.: Prentice Hall

### Recommended literature

#### Other:

Norges Bank. (Various issues). Financial Stability Report. English version can be downloaded from [http://www.norges-bank.no/english/publications/financial\\_stability/](http://www.norges-bank.no/english/publications/financial_stability/)

Norges Bank. (Various issues). Publications on monetary policy including Norges Bank's Inflation Report. English versions can be downloaded from <http://www.norges-bank.no/english/>

### Course outline

1. Overview of the subject area of economics
2. National accounts and macroeconomics data
3. Foundation of long-run economic growth
4. Business cycles, aggregate demand and fiscal policy in the short run
5. Financial markets, interest rates and monetary policy in the short run
6. The open economy: Capital mobility, exchange rates, business cycles and macroeconomic policy in the short run
7. Financial stability
8. Structural unemployment, price and wage formations
9. Inflation and monetary policy: Inflation targeting by the Central Bank

### 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.

**Evaluation**

A three hour individual written exam concludes the course.

**Evaluation code(s)**

EXC 23052 - Written exam, which accounts for 100% of the grade in EXC 2305  
Macroeconomics, 6 credits.

**Aids at the examination**

Non-programmable calculator.

**Makeup exam**

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

Students who is taking a re-sit must take the three hour individual exam (EXC 23052). 72-hour take-home examination (EXC 23051) will not be offered.