



APPLIES TO ACADEMIC YEAR 2009/2010

## SØK 2500 Applied macroeconomics and financial change

### Programme

Bachelor in Business and Finance (3. year)

### Responsible for the course

### Department

Department of Economics

### Term

According to study plan

### ECTS Credits

12

### Language of instruction

Norwegian

### Introduction

### 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 reading

#### Books:

Ecklund, Gunhild J. og Sverre Knutsen. 2000. Vern mot kriser? : norsk finanstilsyn gjennom 100 år. Bergen : Fagbokforlaget

Mishkin, Frederic S. 2007. The economics of money, banking and financial markets. 8th ed. Boston : Pearson/Addison Wesley

### Recommended reading

#### Other:

Blattner, Emanuel og Anders Anders. Siste versjon. Kompendium - Deltakermanual TOPSIM Macroeconomics. Oslo: Handelshøyskolen BI

### 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+12 teaching hours organized in two sections:

1. Section 1: Applied macroeconomics, 6 credits
2. Section 2: Financial change, 6 credits

The course includes a macroeconomic simulation model in which the students "take over" leading positions in private and public sector.

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 at Internett.

As part of process students must evaluate electronic portfolio. Deadlines must be kept to participate in the 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. 2007. The economics of money, banking and financial markets. 8th ed. Pearson education.

#### Topics

- Understanding interest rates
- The behaviour of interest rates
- 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. 2007. The economics of money, banking and financial markets. 8th ed. Pearson education .

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.

### **Examination**

The course ends with hand in of final version digital portfolio followed by an individual test lasting three hour. The test is to make sure the work in digital portfolio is understood. The questions will mainly be attach to the digital portfolio, but can also be with regard to curriculum in general. If large discrepancy between digital portfolio and final exam the candidate can be given an oral exam.

#### **Exam code(s)**

SØK 25002 - Project paper (Final version digital portfolio) accounts for 60 % of the marks in the course SØK 2500, 12 credits.

SØK 25003 - Individual four hours written evaluation; accounts for 40 % of the marks in the course SØK 2500, 12 credits.

Both exams must be passed to receive certificate.

#### **Examination support materials**

None at the four-hour individual written exam.

#### **Re-sit examination**

Make up examinations are held in the next ordinary course.

#### **Additional information**

Due to changes in our Bachelor Programmes from autumn 2009, there also will be changes in every single course. This course will be lectured for the last time spring 2011. Re-sit exam will be offered every term even spring 2013.