



APPLIES TO ACADEMIC YEAR 2012/2013

GRA 6634 Introduction to Advanced Macroeconomics

Programme

Master of Science in Business and Economics, Master of Science in Business and Economics (Economics), Specialization Course

Responsible for the course

Tommy Sveen

Department

Department of Economics

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

This course offers an introduction to advanced macroeconomic analysis. To this end, the course covers both theoretical models as well as empirical facts regarding a wide range of topics, from economic growth, consumption and investment to unemployment.

Learning outcome

The main objective is to give course participants an introduction to advanced macroeconomic theory. The course is also the preparatory course for doing further macroeconomic studies at the graduate level. It is a prerequisite for both GRA 6639 Topics in Macroeconomics and GRA 6631 Monetary and Fiscal Policy.

The course consists of three parts. The first part deals with how economies grow and discuss the main determinants of long-run growth. Important models are the Solow model and the Diamond overlapping generation model. Those models are confronted with data on cross-country income differences. The second part turns to modern theories of consumption and investment. Important topics will include consumption based asset pricing and the Q-theory of investment. The last part covers different theories of unemployment – more precisely, contracting models and search-and-matching models.

Prerequisites

Bachelor degree qualifying for admission to the MSc Programme + intermediate undergraduate macroeconomic course.

Compulsory reading

Books:

Obstfeld, Maurice and Kenneth Rogoff. 1996. Foundations of international macroeconomics. MIT Press. Chapter 2 and 7 (selected sections).

Romer, David H. 2012. Advanced macroeconomics. 4th ed. 978-0-07-351137-5. 4, 8-10 (selected sections).

Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

A list of compulsory readings will be provided on It's learning or in class.

Recommended reading

Course outline

Part I:

Economic growth. Obstfeld-Rogoff ch. 7 (selected sections), Romer ch. 4 (selected sections)

Part II:

Modern consumption and investment theories. Romer ch 8 and 9 (selected sections). Obstfeld-Rogoff section 2.5 (selected subsections).

Part III:

Unemployment. Romer ch. 10.

Computer-based tools

It's learning/homepage

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 hours. Both lectures and exercise seminars are provided.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Examination

Written mid-term exam (1 hour, pass/fail) and final written exam (3 hours).

All parts of the assessment must be passed in order to obtain a grade in the course. Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one for several elements of the overall evaluation.

Examination code(s)

GRA 66341 accounts for 100 % of the final grade in the course GRA 6634.

Examination support materials

A bilingual dictionary and BI approved exam calculator.

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.

<http://www.bi.edu/studenthandbook/examids>

Re-sit examination

It is only possible to retake an examination when the course is taught next.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

Additional information**Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.