



APPLIES TO ACADEMIC YEAR 2013/2014

## EXC 3525 Macroeconomics

### Programme

Bachelor of Business Administration (2. year), Bachelor of Shipping Management (2. year), Exchange Program

### Responsible for the course

Jørgen Juel Andersen

### Department

Department of Economics

### Term

According to study plan

### ECTS Credits

7,5

### Language of instruction

English

### Introduction

Macroeconomics is the study of the economy as a whole. It deals with phenomena such as long-run economic growth, business cycles, unemployment, inflation, and deficits on the balance of payments. Analyses on how governments and central banks can influence the macroeconomy through fiscal and monetary policy are particularly important in macroeconomics.

### Learning outcome

An important goal of this course is to familiarize students with important macroeconomic concepts, indicators, and relations, and to give students insights into macroeconomic theories (with corresponding empirical knowledge) of long-run economic growth processes, structural unemployment, inflation and other nominal variables, and business cycles. Another goal is to equip students with sufficient knowledge to understand theories and macroeconomic models that explain how fiscal and monetary policy, such as inflation targeting, can be used to influence the macroeconomy.

### Acquired knowledge

After taking this course you should be able to understand and explain important macroeconomic concepts, indicators and the most common policy targets and instruments of fiscal and monetary policy in advanced economies. You are expected to understand the crucial distinction between real and nominal variables and concepts. You should also be able to distinguish wrong statements in macroeconomics from correct ones, as well as descriptive statements from normative ones. You should also have acquired a good overview of macroeconomic relations and empirical knowledge. Finally, you should understand the logical structure of basic macroeconomic growth models and elementary models of business cycles and inflation.

### Acquired skills

After taking this course you should be able to find relevant economic data and indicators from respectable data sources in order to describe the macroeconomic situation and recent history of a particular country. You should also be able to decide which macroeconomic theory or model that is most relevant for a particular policy issue. Finally, you should be able to apply basic models of long-run growth, business cycles and inflation to draw logical conclusions about the effects of changes in crucial parameters and policy instruments.

### Reflection

After taking this course you should be ethically conscious about the conflicts of interest and inherent goal conflicts and trade-offs in macroeconomic policy. You should be able to look at a macroeconomic policy issue from different perspectives in regard to the interests of different groups in society. You should also have developed a critical attitude making you conscious of the difference between political ambitions behind announcements of goals and the real effects of macroeconomic policies in practice.

### Prerequisites

None.

### Compulsory reading

#### Books:

Burda, Michael and Charles Wyplosz. 2013. Macroeconomics : a European text. 6th ed. Oxford University Press. Ch. 1-15,17 (403 pages in all).

### Recommended reading

#### Journals:

OECD. 2011. "General assessment of the macroeconomic situation". OECD Economic Literature. 2. OECD. 9-67/ Ch.1. Recommended reading

### Course outline

1. National accounts and economic indicators
2. Economic growth and the wealth of nations
3. The labour market and structural unemployment
4. Money, prices and exchange rates in the long run
5. Consumption and investment
6. Aggregate demand, business cycles and the short-run effects of monetary and fiscal policy
7. Asset bubbles and financial instability
8. Nominal and real exchange rates
9. Long-run effects of fiscal policy.

### Computer-based tools

No specified computer-based tools are requested.

### Learning process and workload

An important part of the learning process is lectures in class.

#### Coursework requirements (assignments)

Seven sets of coursework requirements will be posted in It's learning. In order to attend the final exam students have to receive passing marks for at least five of these seven assignments. Information about deadlines will be given at the start of the term.

Answers to the work requirements should be posted electronically through It's learning. Feed-back will be given in class.

Activity	Use of hours
Lectures	36
Feedback on assignments (coursework requirements)	6
Reading of literature and preparing for lectures	131
Coursework requirements	24
Final exam	3
<b>Total use of hours recommended</b>	<b>200</b>

### Use of hours

42hours lectures and feedback on assignments

3 hours til de som er ansvarlig for gjennomføringen av de automatiserte testene

45 timer totalt

### Coursework requirements

There will be seven sets of assignments, of which students must get approved 5. See learning process and workload.

### Examination

A three- hour individual written exam concludes the course.

### Examination code(s)

EXC 35251 - Written exam. Accounts for 100 % of the final grade in EXC 3525 Macroeconomics 7,5 credits.

### Examination support materials

Calculator TEXAS INSTRUMENTS BA II Plus™ is permitted.

One bilingual dictionary may also be used at written examinations. Support materials permitted 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/examaids>

### Re-sit examination

A re-sit examination is possible every term.

Students who have not got approved five of the seven assignments must retake the assignments at the next scheduled course. Students that have not passed the written exam or who wish to improve their grade must retake the exam in connection with the next scheduled examination.

### Additional information