



APPLIES TO ACADEMIC YEAR 2013/2014

GRA 6634 Introduction to Advanced Macroeconomics

Programme

Master of Science in Business, Master of Science in Business (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

Macroeconomics is the study of the economy as a whole. 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 to consumption and investment.

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 Business Cycles and GRA 6631 Monetary and Fiscal Policy.

The course consists of three parts. The first part introduces the neoclassical model and quantitative macroeconomics. The second part turns to modern theories of consumption and investment. Important topics will include the permanent-income hypothesis, consumption based asset pricing and the Q-theory of investment. It also discusses some fiscal policy issues. The third part deals with how economies grow and discuss the main determinants of long-run growth. Important models are the Solow model and the Ramsey-Cass-Koopmans model. Those models are confronted with data on cross-country income differences.

Prerequisites

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

Compulsory reading

Books:

Krueger, Dirk. 2007. Quantitative macroeconomics : an introduction (Lecture notes). ch. 3-5. Gratis tilgjengelig: <http://www.e-booksdirectory.com/details.php?ebook=2831>

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

Romer, David H. 2012. Advanced Macroeconomics. 4th ed. McGraw-Hill/Irwin. 1-2,4, 8-9, 12

Articles:

Steigum, Erling. 2010. Public debt and pensions in an overlapping generations model of a small open economy

Other:

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

Recommended reading

Course outline

Part I: The neoclassical model. Krueger ch. 3-5.

Part II: Modern consumption and investment theories. Fiscal Policy. Romer ch 8,9 and 12 (selected sections). Obstfeld-Rogoff section 2.5 (selected subsections).

Part III: Economic growth. Romer ch. 1-4 (selected sections), Obstfeld-Rogoff ch. 7 (selected sections), and Steigum (2010)

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

A three hour individual written exam concludes the course.

Examination code(s)

GRA 66342 counts for 100 % of the final grade in GRA 6634.

Examination support materials

A bilingual dictionary and BI approved exam calculator.

Exam aids at written examinations are explained under exam information in the student portal @bi. Please note use of calculator and dictionary in the section on examaids

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.