



APPLIES TO ACADEMIC YEAR 2014/2015

MAN 3111/3112/3113/3114 Macroeconomics & Financial Markets

Programme

Final Master of Management Program, Master of Management Program

Responsible for the course

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Department

Department of Economics

Term

According to study plan

ECTS Credits

30

Language of instruction

Norwegian

Introduction

The target audience is decision makers in the private and public sectors who want a deeper understanding of the driving forces behind macroeconomic developments, the design of macroeconomic policy and how global financial markets work.

The program is aimed at decision makers who themselves are not already specialists themselves, but who need greater insight into financial and macroeconomic issues, for example in communication with specialists in their organizations.

Both the Department of Economics and the Department of Financial Economics are responsible for the program. In recent literature, the two disciplines macroeconomics and financial economics have both benefited mutually from tighter collaboration and integration. The close connection between the two disciplines will also characterize the program.

Examples of issues addressed in the program are central bank monetary policy (so-called "flexible inflation targeting"), public debt problems in OECD countries, financial crises and their economic effects, new capital requirements for banks, macroprudential financial regulation, exchange rate formation, yield curves and international capital movements, long-term portfolio management, population aging, and long-term economic development in rich countries and emerging economies.

The program will make use of guest lectures from financial markets and public institutions (Bank of Norway / Norges Bank Investment Management, Ministry of Finance and the Financial Supervisory Authority). Participants will also participate in a series of experiments in finance and macroeconomics, such as asset price bubbles and game situations with macroeconomic coordination failures.

Learning outcome

Knowledge objectives

Knowledge of the core principles of portfolio selection and portfolio management .

Knowledge of economic equilibrium theories for the determination of exchange rates, interest rates and market prices of securities under full international capital mobility .

Have knowledge of banks and other financial institutions' role in credit flows ("financial intermediary "), emphasizing the importance of information bias.

Knowledge of financial supervision and financial regulation to promote financial stability.

Knowledge of systemic financial crises, their causes and economic effects .

Have knowledge of business cycles, their causes, characteristics and economic effects .

Knowledge of the core principles of flexible inflation targeting as a monetary policy framework for central banks, including knowledge of how the inflation rate is affected by monetary policy and other factors.

Knowledge of fiscal policy targets and instruments in the short and long term, as well as the basic principles of sustainable fiscal policies, including insight into the challenges that the future population aging for the pension system and the financing of the welfare state in the long term.

Have knowledge of key factors and mechanisms that explain long-term economic growth.

Skills objectives

Be able to discuss current issues related to macroeconomic policy and international macroeconomics .

Have a good overview of the main challenges in the Norwegian economic policy .

Be able to use relevant data to illustrate and evaluate the performance of financial markets.

Be able to use relevant data to address international debt issues and capital movements across borders.

Be able to use relevant data to assess business cycles and economic prospects.
Be able to use relevant data to analyze long-term economic growth and growth perspectives.
Be able to discuss the relationships between objectives and instruments of fiscal policy, as well as how tax wedges in the labor and capital markets will affect households' incentives to supply labor and save.
Be able to use simple models for interest rates, currencies and equities (eg parities and CAPM).
Be able to discuss issues related to portfolio investments (eg related to investment in different asset classes) .
Be able to understand the implications of the new capital requirements for banks and financial institutions

Reflection/ attitude objectives

Be ethical conscious of the fundamental conflicts of interest and conflicting objectives that are related to economic policy.
Be able to consider a macroeconomic issue from different perspectives when it comes to various stakeholder groups.
Have a critical sense that declared political goals and ambitions may differ significantly from the actual effects of economic policy in practice.
Have a critical attitude to the use of data sources and be aware that the quality of the data sources available online varies from very high quality to highly misleading data .
Be aware of the corruption, the underground economy and tax evasion is widespread, and they are sources of extensive international money flows.

Prerequisites

Bachelor degree or equivalent and 4 years of work experience. Please consult our student regulations.

Compulsory reading

Books:

Acemoglu, Daron and James A. Robinson. 2012. Why Nations Fail. The Origins of Power, Prosperity and Poverty. Profile Books Ltd.
Greenbaum, Stuart I and Anjan V. Thakor. 2007. Contemporary Financial Intermediation. Academic Press
Jarrow, Robert A. and Arkadev Chatterjea. 2013. An Introduction to Derivative Securities, Financial Markets and Risk Management. W.W. Norton
Keeley, Brian and Patrick Love. 2010. From Crisis to Recovery. The Causes, Course and Consequences of the Great Recession. OECD Insights, OECD, Paris.
Mishkin, Frederic S. 2012. The Economics of Money, Banking and Financial Markets. Pearson, Global edition
Steigum, Erling. 2014. Moderne makroøkonomi. 2. utgave. Gyldendal
Stephen Valdez og Philip Molyneux. 2013. An Introduction to Global Financial Markets. 7. utgave. Houndmills, UK: Palgrave Macmillan
Weil, David. 2013. Economic Growth. Pearson. 3. utgave. International edition

Articles:

Norges Bank (2014) Pengepolitisk rapport med vurdering av finansiell stabilitet (juni)
Steigum, Erling og Øystein Thøgersen. 2014. "A crisis not wasted – Institutional and structural reforms behind Norway's strong macroeconomic performance". in T. Andersen, M. Bergman and Svend Hougaard Jensen (eds.) Reform Capacity and Macroeconomic Performance in the Nordic Countries (forthcoming, Oxford University Press)
Steigum, Erling. 2009. "The Boom and Bust Cycle in Norway". Chapter 7 in Jonung et al
Steigum, Erling. 2013. "Sovereign Wealth Funds for Macroeconomic Purposes". Studier i Finanspolitikk 2013/4, Swedish Fiscal Policy Council, Stockholm
Svensson, Lars E.O. 2013. "Some Lessons from Six Years of Practical Inflation Targeting". unpublished manuscript, October 6th

Journals:

Steigum, Erling. 2008. Befolkningsaldring, pensjonsreformer og realøkonomi". Samfunnsøkonomen 62, Nr. 6 og 7. Samfunnsøkonomenes jubileumstidsskrift
Steigum, Erling. 2010. "Norsk økonomi etter 1980: fra krise til suksess" Praktisk økonomi og finans 26, Nr. 3, s. 11 – 17

Collection of articles:

Jonung, Lars, Jaakko Kiander and Pentti Vartia (eds.). 2009. The Great Financial Crisis in Finland and Sweden. Edward Elgar

Other:

Finansdepartementet (2013) Perspektivmeldingen 2013. Meld. St. 12 (2012 – 2013)
IMF (2014) Global Financial Stability Report (forthcoming)
IMF (2014) World Economic Outlook (forthcoming)
OECD (2014) Economic Outlook
OECD (2014) Economic Surveys

Recommended reading

Course outline

Global financial markets
Banks and financial stability
Asset pricing and long-term portfolio investments
business cycles, central banks and monetary policy
Fiscal policy (taxes and public spending), population aging, pension systems and public debt
Economic Growth and Development

Computer-based tools

itslearning

Learning process and workload

The programme is conducted through five course modules, a total of approx. 150 lecturing hours.

Project tutorials differ in each Executive Master of Management programme. It will consist of personal tutorials and tutorials given in class. Generally the students may expect consulting tutorials, not evaluating tutorials. The total hours of tutorials offered is estimated to two hours pr. students following an ordinary Master of Management programme. For students taking the programme as their final Master of Management programme the tutorials offered are estimated to a total of six hours.

Please note that while attendance is not compulsory in all programmes, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/ itslearning or other course materials.

Coursework requirements

None

Examination

The students are evaluated through a term paper, counting 18 ECTS credits and an 72 hours individual home exam, counting 12 ECTS credits. Both evaluations must be passed to obtain a certificate for the programme. The term paper may be written individually or in groups of maximum three persons.

For students taking this programme as the final Master of Management Programme the following applies:
The students are evaluated through a term paper, counting 24 ECTS credits and an 72 hours individual home exam, counting 6 ECTS credits. The term paper may be written individually or in groups of maximum two persons. Both evaluations must be passed to obtain a certificate for the programme.

Examination code(s)

MAN 31111 - Term paper; accounts for 100 % of the grade to pass the programme MAN 3111, 18 credits
MAN 31121 - Home exam; accounts for 100 % of the grade to pass the programme MAN 3112, 12 credits
Both evaluations must be passed to obtain a certificate for the programme.

For students taking this programme as the final Master of Management Programme the following applies:
MAN 31131 - Term paper; accounts for 100 % of the grade to pass the programme MAN 3113, 24 credits
MAN 31141 - Home exam; accounts for 100 % of the grade to pass the programme MAN 3114, 6 credits;
Both evaluations must be passed to obtain a certificate for the programme.

Examination support materials

Examination support materials at written examinations are specified under "Examination" in the student portal @BI . Please, note the use of calculator and dictionary. https://at.bi.no/EN/Pages/Exa_Hjelpemidler-til-eksamen.aspx

Re-sit examination

It is only possible to re-sit an examination at the next ordinary examination. When a programme is discontinued, the re-sit examination will take place in a replacement programme.

The assessment is mainly based on more than one examination code. Where this is the case, you may re-sit only the assessed components of one of these examination codes. Where this is not the case, all of the assessed components of the course must be retaken. All re-sit examinations will incur an additional fee.

Additional information