



APPLIES TO ACADEMIC YEAR 2014/2015

## **SØK 3432 Macroeconomics**

### **Programme**

Bachelor of Arts Management (1. year), Bachelor of International Marketing (1. year), Bachelor of Marketing Management (1. year), Bachelor of PR and Market Communication (1. year), Bachelor of Retail Management (1. year), Foundation Program of Marketeconomy

### **Responsible for the course**

Terje Synnestrødt, Erling Steigum

### **Department**

Department of Economics

### **Term**

According to study plan

### **ECTS Credits**

7,5

### **Language of instruction**

Norwegian

### **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 familiarise 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. This will help you to understand how small, open economies are affected by the international economy, and important economic policy issues confronting governments and central banks. 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 understand and be able to 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:**

Steigum, Erling. 2004. Moderne makroøkonomi. Gyldendal akademisk. Kap.1-3 og 5-14. Deler av enkelte kapitler er ikke pensum, dette blir mer spesifikt oppgitt ved kursstart.

**Other:**

Finansdepartementet. 2013. Nasjonalbudsjettet 2014

Norges Bank. 2014. Pengepolitisk rapport 2/2014

Pensum blir i sin helhet oppgitt ved kursstart

**Recommended reading****Books:**

Krugman, Paul. 2012. End this depression now!. W. W. Norton & Company

**Course outline**

1. National accounts and economic indicators
2. Economic growth and the wealth of nations
3. The labor 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 required.

**Learning process and workload**

The course consists of lectures and exercises.

An important part of the learning process consists of lectures in class. In addition there are mandatory exercises. Seven sets of coursework requirements will be posted on It's learning. Five of these have to be approved in order for the student to be allowed to take the final exam. Answers to the work requirements should be posted electronically through It's learning. Feedback will be given electronically or in class.

**Coursework requirements (mandatory mini-exercises)**

The students must get approved five (5) out of seven (7) coursework requirements in order to take the exam.

Information about deadlines will be given at the start of the term.

| Activity                                           | Use of hours |
|----------------------------------------------------|--------------|
| Lectures                                           | 36           |
| Feedback on work requirement in class              | 6            |
| Reading of literature and preparation for lectures | 131          |
| Coursework requirements                            | 24           |
| Final exam                                         | 3            |
| <b>Total recommended use of hours</b>              | <b>200</b>   |

**E-learning**

The online teacher will use It's learning for the publication of course-related material, assignments and digital learning resources, and the students will have an opportunity to communicate with the web teacher and fellow students. Intensive teaching modules will be offered at the beginning of the semester and shortly before the examination. The web students are also offered a study guide. The study guide is intended as a supplement to the syllabus and contains reading plans, relevant exercises, references and comments on the syllabus of the course.

Recommended workload in hours:

| Activity                                                                             | Use of hours |
|--------------------------------------------------------------------------------------|--------------|
| Participation at lectures (weekend sessions)                                         | 8            |
| Preparation for lectures                                                             | 80           |
| Assignments                                                                          | 24           |
| Work on syllabus, study guide, assignments and exercises/activities on It's learning | 85           |
| Examination                                                                          | 3            |
| <b>Recommended total workload</b>                                                    | <b>200</b>   |

**Use of hours****Coursework requirements**

The students must get five of the seven assignments approved in order to take the exam.

**Examination**

A three (3) hour individual multiple choice exam concludes the course.

**Examination code(s)**

SØK 34321 - Multiple choice, accounts for 100 % of the final grade in SØK 3432 Macroeconomics - 7.5 credits.

**Examination support materials**

BI-approved exam calculator is allowed. TEXAS INSTRUMENTS BA II Plus™

Examination support materials at written examinations are specified under exam information on @BI. Please note the use of calculator and dictionary. [https://at.bi.no/EN/Pages/Exa\\_Hjelpemidler-til-eksamen.aspx](https://at.bi.no/EN/Pages/Exa_Hjelpemidler-til-eksamen.aspx)

**Re-sit examination**

A re-sit examination is offered every term.

Students that have not got approved five of seven assignments can not sit for the examination. They must retake the assignments at the next scheduled course. Students that have not passed the written exam or who wish to improve their grade can take the re-sit examination when the next scheduled exam is offered

**Additional information**