



Faculty of Arts and Social Sciences  
Economics

# Syllabus

## Economics

<b>Course Code:</b>	NEGA01
<b>Course Title:</b>	Economics <i>Nationalekonomi</i>
<b>Credits:</b>	30
<b>Degree Level:</b>	Undergraduate level
<b>Progressive Specialisation:</b>	First cycle, has only upper-secondary level entry requirements (G1N)

**Major Field of Study:**  
NAA (Economics)

### Course Approval

The syllabus was approved by the Faculty of Arts and Social Sciences 2018-09-07, and is valid from the Spring semester 2019 at Karlstad University.

### Prerequisites

General admission requirements plus either

- field-specific eligibility A4 (upper secondary school level Mathematics 3b or 3c, Civics 1b or 1a1 + 1a2), or
- field-specific eligibility 4 (upper secondary school level English B, Mathematics C, Civics A), with the exception of English B.

### Learning Outcomes

Module 1: Microeconomic Theory and International Trade, 15 ECTS credits

Upon completion of the module, students should be able to:

- explain the role of prices in a market economy,
- define and use the concepts of price and income elasticity,
- explain why resources in a perfectly functioning market economy are distributed effectively,
- explain why external effects and collective goods influence the market economy and resource allocation,
- explain the connection between the costs and supply of goods and services in a business,
- give an account of the following market forms: perfect competition, monopolistic competition, oligopoly, and monopoly,
- explain the basics of wage formation in a job market exposed to competition,
- explain why division of labour/specialisation and commerce can benefit all who take part in this process,
- give an account of the basic principles of game theory,
- explain the advantages of international trade,
- explain the political reasons for introducing trade restrictions,
- give an account of the effects of trade restrictions on prices and wages, and
- give an account of the reasons for direct foreign investments.

## Module 2: Macroeconomy, Globalisation and Growth, 15 ECTS credits

Upon completion of the module, students should be able to:

- give an account of macroeconomic relations on the basis of the National Accounts,
- use macroeconomic models to analyse the short and long term effects of economic political measures,
- give an account of the main role and function of the money and bond markets,
- give an account of the means and ends of Swedish monetary policy,
- explain the concepts of unemployment and inflation, and relate them to other macroeconomic contexts
- give an account of factors affecting exchange rates and how the exchange rate can be used as a means to achieve the inflation goals of the Bank of Sweden,
- give an account of the causes and consequences of financial crises in a globalized economy,
- identify factors leading to economic growth and the causes of permanent poverty, and
- analyse the potential of economic growth for increased welfare in individual countries.

### **Content**

#### Module 1: Microeconomic Theory and International Trade

This module is based upon the fundamental principles of economics: balancing costs and benefits, the concept of alternative costs, and the principle of diminishing returns. How consumer behaviour affects the demand for goods and services is studied in the light of the aforementioned principles. How the producer's production and cost structure influences the supply of goods and services is also covered. This module discusses how the public sector can influence a market through taxes and regulations as well as how taxes and regulations can be used as a means of increasing welfare in terms of information problems, environmental problems, and in cases of limited competition such as monopoly and oligopoly. In addition, international trade and investments are treated and problematised. The effects of trade restrictions such as duties and import quota are analysed. The reasons for businesses to move abroad instead of exporting from Sweden, for example, are also discussed.

#### Module 2: Macroeconomy, Globalisation and Growth

Macroeconomic theory explains aggregate quantities such as total production and its utilisation, inflation, unemployment, national budget, and balance of trade. Macroeconomic theory also shows how these quantities relate to one another. The course demonstrates both the possibilities and limits of economic policy. Economic policy is divided into fiscal policy which directly impacts real quantities in the economy, and monetary policy which influences the economy primarily through interest rates and the granting of credit by intermediate financial institutions. The various political monetary instruments of the Bank of Sweden are discussed. Different exchange rate systems are presented, partly according to their construction, and partly in terms of the various prerequisites of economic policy within different exchange rate systems. The causes of problems in the financial sector are discussed and how the problems can spread between countries when the financial system is increasingly globalised. Another area in macroeconomic theory differentiates between long-term growth and short-term fluctuations and the underlying motivational forces for these are explained.

### **Reading List**

See separate document.

### **Examination**

Module 1 is assessed on the basis of two written exams.

Module 2 is assessed on the basis of a written exam, and a group essay, presented and peer reviewed by another group in seminar, each group serving as peer reviewers.

### **Grades**

One of the grades Distinction (VG), Pass (G), or Fail (U) is awarded in the examination of the course.

The grade Distinction is awarded to students who have earned this grade for at least 50% of course credits.

### **Quality Assurance**

Follow-up relating to learning conditions and goal-fulfilment takes place both during and upon completion of the course in order to ensure continuous improvement. Course evaluation is partly based on student views and experiences obtained in accordance with current regulations and partly on other data and documentation. Students will be informed of the result of the evaluation and of any measures to be taken.

### **Course Certificate**

A course certificate will be provided upon request.

### **Additional information**

The local regulations for studies at the Bachelor and Master levels at Karlstad University stipulate the obligations and rights of students and staff.