



Faculty of Arts and Social Sciences
Economics

Syllabus

Course Approval

The syllabus was approved by the Faculty Board of Arts and Social Sciences on 13 March 2014, and is valid from the Autumn semester of 2014 at Karlstad University.

Course Code: NEGB01

Economics - continuation course, 30.0 ECTS Credits

(Nationalekonomi - fortsättningskurs, 30.0 Swedish credit points)

Degree Level: Bachelor

Progressive Specialisation: G1F (First cycle, has less than 60 credits in first-cycle course/s as entry requirements)

Language of Instruction

Swedish or English

Prerequisites

Economics 30 ECTS credits and Statistics 15 ECTS credits

Major Field of Study

NAA (Economics)

Learning Outcomes

Module 1 Quantitative Methods in Economics

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

- analyse the functions of one and two variables and differentiate the functions to derive extreme values,
- solve optimisation problems with and without subsidiary conditions for functions of one and two variables and
- perform statistical inference.

Module 2 Microeconomics

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

- apply basic neoclassical method to microeconomic problems,
- analyse and give an account of decision-making situations for consumers and companies,
- acquire basic concepts for analysing optimisation problems over time and in uncertainty, and
- give an account of the conditions under which pure market solutions are not nationally optimal.

Module 3 Macroeconomics

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

- give an account of the relation between money supply, price level and inflation, and how the national bank can control these macroeconomic variables,
- give an account of the causes of unemployment related to economic cycle fluctuation and how the government can influence the situation through fiscal policy,
- give an account of the short- and long-term effects of permanent deficit in the public sector budget on private saving and investment incentive,
- give an account of the incentives for long-term economic growth.

Module 4 Econometrics

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

- give an account of the principles for and apply the least squares method to estimate linear regression models, and
- analyse regression models with dummy variables and evaluate the adapted models with respect to heteroskedasticity, multicollinearity, and autocorrelation.

Module 5 Essay

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

- independently plan and complete a study in a chosen area of the micro- or macro economy and apply the mathematical knowledge acquired and the statistical/econometric method to analyse this problem.

Content and Form of Instruction

The course comprises five modules.

Module 1 Quantitative Methods in Economics, 6 ECTS cr

The module starts with a mathematical component, revising basic arithmetic and equation solutions and continuing with one-variable analysis, differential calculation and optimisation. Multivariate analysis and optimisation with subsidiary conditions are briefly treated. Instruction focuses on parts of relevance to economics and on applied mathematics and skills in solving problems.

The statistical component includes probability theory and inference.

Module 2 Microeconomics, 7.5 ECTS cr

Students develop deeper and broader insights into microtheory compared to previous courses. They study consumption, production and general equilibrium theory with the help of analytical methods. Areas studied are, for example, individual demand function, disclosed preferences, income and substitution effects, intertemporal choice, choice under uncertainty, game theory, partial and general market equilibrium. Welfare theory and a thorough study of why the market can fail due to external effects are also included as are collective utilities and information deficit (asymmetric information).

Module 3 Macroeconomics, 7.5 ECTS cr

The module starts with a revision of basic financial accounting concepts and definitions of different macroeconomic entities such as gross and net national products, national income, trade and exchange balance, consumer price index, inflation and rate of unemployment. The following discussions on the relation between the real and monetary side of the economy and how monetary demand and supply determine price and interest levels. The relation between growth in money supply and the rate of inflation is treated and the social costs of inflation discussed. The next theme is the conditions for monetary and fiscal policy in a small open economy combined with a discussion of different types of exchange rate regime and the consequences on efficiency in various fiscal measures. The module also treats the unemployment problem, long-term growth and the consequences of permanent deficit in the public sector budget.

Module 4 Econometrics, 6 ECTS cr

Students acquire further knowledge of the statistical methods applied in the field of economics. Different types of models, primarily the regression models and simple time series models are presented, as are different methods of inference theory and diagnostic techniques to evaluate the models. In regression analysis simple linear regression, multiple regression, multicollinearity, heteroskedasticity and autocorrelation are treated.

Module 5 Essay, 3 ECTS cr

The module runs parallel with the other modules to allow students to conduct their own study of a micro or macroeconomic problem with the help of econometry. Students draw on all modules while also developing skills for future thesis projects.

Reading List

See separate document.

Examination

Modules 1-4 are assessed on the basis of written exams. Module 5 is assessed on the basis of a submitted essay.

Grades

One of the grades Distinction (VG), Pass (G), or Fail (U) is awarded in the examination of the course and modules. The grade of Distinction is awarded to students who have earned that grade for at least 15 of the 30 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 assessment is based on student views and experiences as reported in written course evaluations and/or group discussions. Students will be informed of the result of the evaluation and of the measures to be taken.

Course Certificate

A course certificate will be provided upon request.

Additional Information

Students who enrolled before 1 July 2007 will complete their studies in accordance with the requirements of the earlier admission. Upon completion students may request degree and course certificates to be issued under the current ordinance if they meet its requirements.

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

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