



Faculty of Arts and Social Sciences
Economics

Syllabus

Economics - continuation course

Course Code:	NEGB01
Course Title:	Economics - continuation course <i>Nationalekonomi - fortsättningskurs</i>
Credits:	30
Degree Level:	Undergraduate level
Progressive Specialisation:	First cycle, has less than 60 credits in first-cycle course/s as entry requirements (G1F)

Major Field of Study:
NAA (Economics)

Course Approval

The syllabus was approved by the Faculty of Arts and Social Sciences 2020-09-14, and is valid from the Spring semester 2021 at Karlstad University.

Prerequisites

Economics 30 ECTS credits and Statistics 15 ECTS credits, or equivalent

Learning Outcomes

Module 1 Quantitative Methods in Economics

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

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

Module 2 Microeconomics

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

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

Module 3 Macroeconomics

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

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

Module 4 Econometrics

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

1. give an account of the principles for the least squares method and apply it in practice to estimate linear regression models, and
2. analyse regression models with dummy variables and evaluate the adapted models with respect to heteroscedasticity, multicollinearity, and autocorrelation.

Module 5 Essay

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

1. independently plan and complete a study in a chosen area of the micro or macro economy using mathematical, statistical, and econometric methods.

Content

The course comprises five modules.

Module 1 Quantitative Methods in Economics, 6 ECTS cr

The module starts with a review of basic arithmetic and equation solutions and continues with one-variable analysis, differential calculation, and optimisation. Multivariate analysis, optimisation, and optimisation with subsidiary conditions are treated in brief. Instruction focuses on aspects of relevance to economics and on applied mathematics and practical problem-solving skills. The module also covers probability theory and inference.

Module 2 Microeconomics, 7.5 ECTS cr

Students develop broader and more in-depth knowledge in 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 review 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. Discussions on the relation between the real and monetary side of the economy and how monetary demand and supply determine price and interest levels follow. 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 and monetary policy. 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 in-depth 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, the course treats simple linear regression, multiple regression, multicollinearity, heteroscedasticity, and autocorrelation.

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 econometrics. Students draw on all modules while also developing skills for future thesis projects.

Reading List

See separate document.

Examination

Module 1

Learning outcomes 1-3 are assessed on the basis of a written exam.

Module 2

Learning outcomes 1-4 are assessed on the basis of a written exam.

Module 3

Learning outcomes 1-4 are assessed on the basis of an individual written take-home exam.

Module 4

Learning outcomes 1-2 are assessed on the basis of a written exam.

Module 5

Learning outcome 1 is assessed on the basis of an individual hand-in assignment which is presented orally and in writing.

If students have a decision from Karlstad University entitling them to special pedagogical support due to a documented disability, the examiner has the right to give such students an adapted examination or to examine them in a different manner.

Grades

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

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.

