



Faculty of Economic Sciences, Communication and IT
Economics

Syllabus

Course Approval

The syllabus was approved by the Faculty Board of Economic Sciences, Communication and IT on 12 September 2012, and is valid from the Spring semester of 2013 at Karlstad University.

Course Code: NEGB14

Macroeconomics, 7.5 ECTS Credits

(Makroekonomi, 7.5 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

The language of instruction is English if non-Swedish speaking students or teachers participate in the course. If not, instruction is in Swedish.

Prerequisites

Economics 30 ECTS Credits.

Major Field of Study

NAA (Economics)

Learning Outcomes

Upon completion of the course, students should

- understand the connection between monetary quantity, price level, and inflation, and the ways in which the state bank can control these macroeconomic variables through its monetary policies,
- understand the causes of cyclic unemployment and the ways in which the government can influence cyclic unemployment through financial policies,
- understand the connection between interest rate, inflation, and exchange rate, as well as the conditions for monetary and financial policy in small-scale open economies such as Sweden,
- understand how permanent deficits in the budget of the public sector affect short-term and long-term private saving and investment,
- understand the driving forces behind long-term economic growth,
- be able to explain why there is a choice between low unemployment and low inflation in the short term but not in the long term,
- be able to analyse the effects of monetary and financial policies and how they are affected by the degree of economic integration with the rest of the world and
- be able to assess how various macroeconomic measures affect central macroeconomic variables, in the long term as well as in the short term.

Content and Form of Instruction

The course begins with a brief revision of basic concepts in the field of national accountancy as well as a revision of definitions of various macroeconomic quantities such as Gross Domestic Product and Net Domestic

Product, national income, trade and foreign exchange balance, consumer price index, inflation, and unemployment rate. The course will then cover the connection between real and monetary aspects of the economy and the ways in which monetary supply and demand determines price levels and interest rates. The course will also cover the connection between monetary growth and rate of inflation as well as the social costs of inflation. In addition, the course will cover the conditions for monetary and financial policy in small-scale open economies; this theme will be linked to a discussion on various types of exchange rate regimes and their consequences for the efficiency of various monetary and financial policies. The rest of the course will look at the problem of unemployment, long-term growth, and the consequences of permanent deficits in the budget of the public sector.

Instruction is in the form lectures and a seminar assignment, involving the calibration and simulation of a dynamic general equilibrium model.

Reading List

See separate document.

Examination

Examination is in the form of a written exam.

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 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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