

Syllabus

for course at first level

Macroeconomic Theory and Applications
Makroteori med tillämpningar

**15.0 Higher Education
Credits**
15.0 ECTS credits

Course code:	EC1211
Valid from:	Autumn 2015
Date of approval:	2009-11-03
Changed:	2015-05-07
Department	Department of Economics
Main field:	Economics
Specialisation:	GXX - First cycle, in-depth level of the course cannot be classified

Decision

This syllabus was approved by the Board of the Department of Economics on December 16, 2010 and revised on February 14, 2013 and on May 7 2015.

Prerequisites and special admittance requirements

Swedish upper secondary school courses English B, Mathematics C and Social Sciences A or equivalent.

Course structure

Examination code	Name	Higher Education Credits
121B	Test 1	2.5
121C	Test 2	2.5
121D	Exam	10

Course content

This course provides an introduction to macroeconomic problems and methods. The course consists of a theoretical and an applied component. The theoretical section provides an overview of the principles for the calculation of the Gross Domestic Product (GDP) and theories of how production, unemployment and inflation are determined. It presents theories of how financial and monetary policies affect the economy in the short and medium term. It then discusses theories of growth, business cycles and how different currency systems affect the GDP, employment rate and conditions for the economic policy. The applied section studies problems of stabilisation policy in an open economy, cyclical and long-term economic development and different views of the role and potential of stabilisation policy. The course also provides a general overview of the development of economics.

This course is aimed at anyone who wishes to learn the basics of macroeconomic analysis. Macroeconomic analysis is widely used in banks, certain parts of the public administration and international economic organisations. It is the foundation for a wide range of economic analyses.

Learning outcomes

Upon completion of this course, the student is expected to:

- Understand the principles for the organisation of national accounts and calculations of GDP;
- Be able to interpret the meaning of macroeconomic statistics;
- Understand connections between macroeconomic variables, such as GDP, unemployment, interest rate,

price rate and exchange rate;

- Understand how monetary and financial policies are pursued;
- Understand how salary formation works and how it is affected by institutional factors;
- Understand how Swedish economic policy has been pursued from an historical perspective;
- Understand the difference between positive and normative analyses;
- Be able to analyse the effects of financial and monetary policies in the short and medium term;
- Be able to analyse how structural changes affect production and unemployment.

Education

Instruction is given in the form of lectures, group work and seminars. The language of instruction is Swedish.

Forms of examination

The course is examined on the basis of two written tests and a written examination. Some of the points on the exam may be awarded for continuous assessment during the course.

Test 1 and test 2 are examined using the grades pass (G) and fail (U). On the written exam students will receive letter grades on a seven-point scale related to the learning objectives of the course: Passing grades are A, B, C, D and E, where A is the highest grade and E the lowest. Failing grades are F and Fx, where F is lower than Fx.

Assessment criteria:

- **A (Excellent):** The student is able to describe basic macroeconomic concepts and theories. The student is also able to describe how central macroeconomic variables have developed over time, how monetary and financial policies are pursued, how the labour market is affected by different institutions and what these institutions look like on the Swedish labour market. He or she is able to perform an independent analysis of a macroeconomic issue in a correct and well-structured manner on the basis of the course's theoretical and applied components. The student is also capable of discerning between positive and normative analysis.
- **B (Very Good):** The student is able to describe basic macroeconomic concepts and theories. The student is able to describe how central macroeconomic variables have developed over time, how monetary and financial policies are pursued, how the labour market is affected by different institutions and what these institutions look like on the Swedish labour market. He or she is able to analyse basic issues in a correct and well-structured manner based on a given model.
- **C (Good):** The student is able to describe basic macroeconomic concepts and theories. The student is able to describe how central macroeconomic variables have developed over time, how monetary and financial policies are pursued, how the labour market is affected by different institutions and what these institutions look like on the Swedish labour market. The student is also able to analyse basic issues in a correct manner based on a given model.
- **D (Satisfactory):** The student is able to describe basic macroeconomic concepts and theories. The student is able to describe how central macroeconomic variables have developed over time and how monetary and financial policies are pursued, as well as to describe the most important institutions in the Swedish labour market. The student is able to analyse basic issues in a fairly correct manner based on a given model.
- **E (Adequate):** The student is able to describe basic concepts and essential components of macroeconomic theories. The student is able to provide a general description of how central macroeconomic variables have developed over time and how monetary and financial policies are pursued, as well as to describe the most important institutions in the Swedish labour market.
- **Fx (Inadequate):** The student fulfils the requirements above for E in principle, but has failed to provide clear argumentation upon request.
- **EI (Totally Inadequate):** The student is unable to analyse basic issues without making major mistakes.

The grade for the whole course will be the same as for the written exam, if the student has been given G for both test 1 and test 2. If not, the grade will be F regardless of the grade for the written exam.

If students fail a course unit and receive the grade Fx or F on an examination, there are no restrictions on how many times they are allowed to retake the examination in order to obtain a grade of E or higher.

Interim

If this course is discontinued, students have the right to be examined on the course once per semester for three further semesters.

Limitations

This course may not be included in a degree together with any of the following courses: NE1060 Grundkurs i nationalekonomi (30 ECTS credits), NE1200 Grundkurs i mikroteori med tillämpningar (15 ECTS credits), NE1300 Grundkurs i nationalekonomi, part time (30 ECTS credits), NE1400 Grundkurs i nationalekonomi för matematik-ekonomilinjén (30 ECTS credits), NE8400 Grundkurs i nationalekonomi på ekonomlinjen (30 ECTS credits), KG8110 Grundkurs i samhällsplanering (90 ECTS credits), KG8120 Fysisk och ekonomisk planering med statistik (30 ECTS credits) or EC1203 Macroeconomics (7.5 HECs).

Required reading

- Blanchard, O., Makroekonomi. Svensk bearbetning av Calmfors, L., Flam, H., Hassler, J. och Krusell, P., Liber, senaste upplagan.
- M. Persson and E. Skult, Tillämpad makroekonomi, SNS förlag, the latest edition.
- C.-H. Siven, Kompendium I doktrinhistoria – en översikt av nationalekonomins utveckling. Nationalekonomiska institutionen. Available on the course website.
- Articles. Full list on the course website.