



LUND
UNIVERSITY

School of Economics and Management

NEKN41, Economics: Advanced Macroeconomic Analysis, 7.5 credits

Nationalekonomi: Avancerad makroekonomisk analys, 7,5 högskolepoäng

Second Cycle / Avancerad nivå

Details of approval

The syllabus was approved by The Board of the Department of Economics on 2011-06-07 to be valid from 2011-06-07, autumn semester 2011.

General Information

This is a single subject master in economics. The course is either obligatory or optional within a number of master programmes at Lund University.

Language of instruction: English

Teaching is in English. (Teaching may be in Swedish if all registered students have a good knowledge of Swedish).

Main field of studies

Economics

Depth of study relative to the degree requirements

A1N, Second cycle, has only first-cycle course/s as entry requirements

Learning outcomes

1. Knowledge and understanding

The student shall:

- master the basic dynamic and forward-looking theories of consumption and investment,
- master the basic real and new Keynesian business cycle theories
- understand the properties and restrictions of monetary policy in dynamic models with forward-looking expectations,
- understand current theories of structural unemployment,
- manipulate models with expectations, including the simplest rational expectations models,

- generalize their knowledge to topics not treated in the course.

2. Skills and abilities

The student shall be able to:

- use the theory through the manipulation of formal macroeconomic models with the purpose of generating economic interpretations,
- translate the model to simulations with given parameters,
- adapt given models to current macroeconomic policy problems,
- recount and discuss macroeconomic issues with the help of advanced theories,
- report simulation findings.

3. Applying knowledge and making judgements

Students shall have developed the ability to pursue further studies in the subject. The student shall also be able to use current macroeconomic research in order to write a macroeconomic report based on own research.

Course content

The course covers basic macroeconomic theory at an advanced analytical and formal level. An important part consists of modern macroeconomic models based on individual forward-looking behaviour of firms and households. The course deals primarily with the short run, i.e. business cycle phenomena and stabilization policy. In addition, the determinants of long-run inflation and unemployment are studied. The course begins with consumption and investment theory. These theories form the basis of the real business cycle theory where the cycle and economic growth are treated simultaneously. Then follows New Keynesian models of the business cycle, which rely on temporarily fixed prices and wages. The causes of temporarily fixed prices and wages are studied in detail. Next, the theories of structural unemployment are presented. Finally, fiscal and monetary policy are analyzed.

No specific gender perspective is adopted in this course.

Course design

1. Teaching: Tuition consists of lectures and tutorials.

Assessment

1. Examination: The examination consists of a written exam and home assignments. The written exam takes place at the end of the course. There will be further opportunities for examination close to this date. Points gained on the home assignments count at exams during the current term. Other forms of examination may be used a limited extent.

2. Limitations on the number of examination opportunities: –

The University views plagiarism and other academic dishonesty very seriously, and will take disciplinary action against students for any kind of attempted malpractice in connection with examinations and assessments. Plagiarism is considered to be a very serious academic offence. The penalty that may be imposed for this, and other unfair practices in examinations or assessments, includes suspension from the University for a specified period.

Subcourses that are part of this course can be found in an appendix at the end of this document.

Grades

Marking scale: Fail, E, D, C, B, A.

1. Grading: Grade (Definition), Points or percentage out of maximum points, Characteristic

A (Excellent), 85–100, A distinguished result that is excellent with regard to theoretical depth, practical relevance, analytical ability and independent thought.

B (Very good), 75–84, A very good result with regard to theoretical depth, practical relevance, analytical ability and independent thought.

C (Good), 65–74, The result is of a good standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

D (Satisfactory), 55–64, The result is of a satisfactory standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

E (Sufficient), 50–54, The result satisfies the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought, but not more.

U (Fail), 0–49, The result does not meet the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought.

Students have to receive a grade of E or higher in order to pass a course.

2. Weighting grades from different parts of the course: –

3. Grading scales for different parts of the course: –

Entry requirements

Students admitted to the Master Programme in Economics are qualified for this course. For other students, at least 60 ECTS-credits in economics are required. These must include an intermediate course in microeconomics (e.g., NEKG21 "Intermediate Microeconomic Analysis"), an intermediate course in macroeconomics (e.g. NEKG41 "Intermediate Macroeconomic Analysis"), and an intermediate course in econometrics, quantitative methods or an equivalent course (e.g., NEKG31 "Econometrics" or 15 ECTS-credits in statistics).

Further information

1. Transitional regulations: This course replaces NEKM24 "Advanced Macroeconomic Analysis".

2. Limitations in the period of validity: –

3. Limitations: This course may not be included in the same degree as NEK751 "Macroeconomic Theory D" or NEKM24 "Advanced Macroeconomic Analysis".

4. Similar courses. –

5. Limitations in renewed examination: –

Subcourses in NEKN41, Economics: Advanced Macroeconomic Analysis

Applies from H11

1101 Advanced Macroeconomic Analysis, 7,5 hp
Grading scale: Fail, E, D, C, B, A