



School of Economics and Management

## **MGTN23, Management: The Global Economy and International Macroeconomic Balances, 3 credits**

*Management: The Global Economy and International Macroeconomic Balances, 3 högskolepoäng*  
Second Cycle / Avancerad nivå

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### **Details of approval**

The syllabus was approved by The Board of the Department of Business Administration on 2014-06-17 to be valid from 2014-09-01, autumn semester 2014.

### **General Information**

The course is a master level course within the Master programme of Science in Management where this course is compulsory.

*Language of instruction:* English

*Main field of studies*

Management

*Depth of study relative to the degree requirements*

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

### **Learning outcomes**

The course goal is to provide the students with an introduction to Macroeconomics. Of main concern in this course is introducing how a modern economy operates as well as how the different agents interact within an economy. The course should help the student develop a basic understanding in national income accounting, economic growth, and the role of monetary policy as well as understanding international imbalances and financial crises.

### **Knowledge and understanding**

A passing grade on the course will be awarded to students who:

- Demonstrate knowledge of how markets work according to the forces of demand and supply (in the short-run).
- Demonstrate understanding of the role of a central bank and how monetary policy is formulated.
- Understand the balance of payments of an open economy and how deficits and surpluses can affect economic growth as well as other open economies.

### **Competence and skills**

A passing grade on the course will be awarded to students who:

- Are able to demonstrate understanding of how the interaction of the different agents within an economy determines output in the short-run and the role of money in the economy.
- Can use key concepts of macroeconomics to explain the state of the world economy.
- Are able to discuss how fiscal and monetary policies can be used to correct for imbalances in the economy as well as deal with financial crises.

### **Judgement and approach**

A passing grade on the course will be awarded to students who:

- Demonstrate an understanding of how output is determined in the short and long runs.
- Demonstrate the ability to explain how monetary policy can be used to correct for macro-shocks.
- Demonstrate the ability to discuss and understand key issues in macroeconomics and how economic crises occur and how they are remedied.

### **Course content**

The course contains the following parts:

1. Measuring macroeconomics variables. We define the core macroeconomic variables such as GDP, inflation, and unemployment and explain why economists care about these variables. Also concepts such as real versus nominal values are explained in this context.
2. The goods markets: demand for goods and production. Introduce how demand and supply interact and how output is determined in the short-run. Basic macroeconomic identities for determining output are defined.
3. The financial markets: the demand for money. Introduction of money demand and supply and how interest rates are determined. Monetary policy and the role of the central bank are also defined.
4. Economic Growth: sources of growth. Introduction of a simple Solow Model to explain how economists think about economic growth. Define how output is determined and explain what factors lead to growth in the long run.
5. The open economy: the balance of payments, sovereign debt and the financial crisis. Definition of concepts such as the current and capital accounts and trade balances. Introduction of how persistent imbalances in the world economy can lead to crises.

## Course design

The course consists of lectures, seminars and presentations (group or individual). The structure of the course is further communicated in *Course Instructions* (distributed separately).

## Assessment

Assessment and grading are based on two parts, equally worth 50% of the final grade:

1. An individual or group assignment which is presented and discussed at a seminar (group or individual). The focus of the assignment is on the ability to present, apply and discuss the contents of the course.
2. An individual written examination that focuses on the understanding of core concepts and models of the course. The written exam is given at the end of the study period, in combination with the written exams of the other courses of the period.

A student who does not pass the assignment (1) will be given an extra assignment.

A student who does not pass the written examination (2) will be given opportunities to re-sit the examination.

*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.

Grade (Definition) Points or % 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 and lives up to expectations.

**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.

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

Some occasional examination elements of the course may have the grading scale pass (D) / fail U(F).

*Plagiarism is considered to be a very serious academic offence. The University will take disciplinary actions against any kind of attempted malpractice in examinations and assessments. The penalty that may be imposed for this, and other improper practices in examinations or assessments, includes suspension from the University for a specific period of time.*

## **Entry requirements**

Students admitted to the programme Master of Science in Management, where this course is compulsory, are qualified for the course.

## **Further information**

In case of closure of the course: Within three semesters after the course closure there will be offered three additional occasions for examination of respective examination part of the course, for students with no successful result. Note that after this you can get a certificate only regarding completed examination parts.

## Subcourses in MGTN23, Management: The Global Economy and International Macroeconomic Balances

Applies from H15

- 1411 Assignment, 1,5 hp  
Grading scale: Fail, Pass
- 1412 Written exam, 1,5 hp  
Grading scale: Fail, Pass

Applies from H14

- 1401 The Global Economy and Internat. Macroeconomic Balances, 3,0 hp  
Grading scale: Fail, E, D, C, B, A