



School of Economics and Management

## **NEKG41, Economics: Macroeconomic Analysis, 7.5 credits** *Nationalekonomi: Makroekonomisk analys, 7,5 högskolepoäng* **First Cycle / Grundnivå**

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### **Details of approval**

The syllabus is an old version, approved by The Board of the Department of Economics on 2011-06-07 and was last revised on 2019-11-05. The revised syllabus applied from 2020-01-20, spring semester 2020.

### **General Information**

This is a single subject intermediate course in economics belonging to the 'Macroeconomics' specialisation. The course is optional within a number of undergraduate programmes at Lund University.

*Language of instruction:* English

In some semesters the course can be taught in Swedish, see the appropriate application catalogue.

*Main field of studies*

Economics

*Depth of study relative to the degree requirements*

G1F, First cycle, has less than 60 credits in first-cycle course/s as entry requirements

### **Learning outcomes**

#### **Knowledge and understanding**

Students shall:

- understand two-period models for medium and long range analysis of consumption, investment and the current account,
- master the derivation and interpretation of models for structural unemployment and the Phillips curve,
- understand the determinants of the real exchange rate and the current account,
- understand the IS–LM model for short-run analysis,
- understand the basic transmission mechanisms in real and new Keynesian business cycle models using the general impulse–response model,

- understand the connection among budget deficits, public debt and seigniorage,
- adopt a critical and independent approach to macroeconomic studies of Sweden and other countries.

### **Competence and skills**

Students shall have an ability to independently:

- be able to use two-period models for medium and long range analysis of consumption, investment and the current account,
- be able to use the IS–LM model for short-run analysis of the business cycle and stabilization policy in an open economy,
- analyse the determination of the real exchange rate and the current account in a model of traded and non-traded goods,
- analyse the determination of short-term and long-term interest rates in an open economy using the IS–LM model, the expectations hypothesis for the determination of long-term interest rates and the open interest parity condition.,
- be able to summarise the background and policy options for contemporary macroeconomic issues,
- analyse fiscal policy in the long run using Ricardian equivalence and tax smoothing,
- use, but not create, dynamic macroeconomic models for structural analysis, prognoses and evaluation of policy through stochastic simulation and impulse–response analysis,
- account for and discuss macroeconomic issues. Students shall also be able to account for the results of simulations in writing.

### **Judgement and approach**

Students shall develop the ability to independently assess fundamental macroeconomic analysis and develop the ability to write a theoretical or empirical macroeconomic paper. Students shall be able to find data and articles on contemporary issues through knowledge of the most important institutions and their publications and data.

### **Course content**

The course provides a deepened overview of macroeconomic theory. It deepens the content of the introductory course by adopting a more thorough analysis and a higher formal level of the analysis. Through exercises in Excel, the students work with applied macroeconomic problems. The content of the course mainly focuses on business cycle fluctuations, unemployment, inflation, the current account and fiscal and monetary policy. The analysis is extended to include the fact that economic agents are forward-looking, which considerably deepens the insights into the determination and development of a country's consumption, investment, current account and economic policy. In addition, the course contains the IS–LM model that is important for analysis of economic policy.

### **Course design**

1. Teaching: Tuition consists of lectures and exercises.

## Assessment

1. Examination: A written examination takes place at the end of the course. There will be further opportunities for examination close to this date. Mandatory exercises or exercises with points that are carried forward to the written exam are present in the course. Points from such exercises are only carried forward to exams during the same term.
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.

The examiner, in consultation with Disability Support Services, may deviate from the regular form of examination in order to provide a permanently disabled student with a form of examination equivalent to that of a student without a disability.

*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

At least 20 ECTS-credits from the introductory course in economics, of which at least 7.5 ECTS-credits in microeconomics are needed for admission till all intermediate courses in economics. To be admitted to this particular course students must also have 7.5 ECTS-credits in basic macroeconomics.

## Further information

1. Transitional regulations: This course replaces NEKB24 "Macroeconomic Analysis".
2. Limitations in the period of validity: –
3. Limitations: This course may not be included in the same degree as the sub-course in macroeconomic analysis within NEKA21 "Economics: Level 2", the sub-course in macroeconomic analysis within NEK231 "Economics, General Course", the sub-course in macroeconomic analysis within NEKG11 "Economics: Level 2", the course NEKB44 "Macroeconomic Analysis", the course NEK651 "Macroeconomic Analysis" or the course NEKB24 "Macroeconomic Analysis".
4. Similar courses: This course has the same contents as the sub-course in macroeconomic analysis within NEKG11 "Economics: Level 2".
5. Limitations in renewed examination: –

## Subcourses in NEKG41, Economics: Macroeconomic Analysis

Applies from H11

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