

**Foundations in Macroeconomics  
(ECO5042)  
Syllabus  
Fall/Winter 2020-2021**

<b>Instructor:</b>	Prof. Dr. Robert Godby
<b>Office Hours:</b>	To be announced and also by appointment via Zoom online.
<b>Email:</b>	rgodby@uwoyo.edu
<b>Time:</b>	December 7, 2020 to January 21, 2021, classes to be announced when confirmed
<b>Room:</b>	All classes online – links to class lectures will be sent to students in advance.
<b>ECTS-Credits:</b>	5 (together with ECO5041 Microeconomics)
<b>Level:</b>	Advanced Level II
<b>Prerequisites:</b>	-
<b>Accessibility:</b>	Course is compulsory for 1 <sup>st</sup> semester MBA-IM students and open to international guest students on MBA-level

**Outline of the course**

1. Introduction to macroeconomics
2. Macroeconomic goals and the current global situation
3. The short run: Keynesian demand-side economics and policy implications
4. The medium and long run: Supply-side economics and policy implications
5. Monetary theory and the monetary policy of the European Central Bank

**Learning Objectives:**

By the end of the course, participants should be capable of:

- Understanding the importance and consequences of macroeconomic conditions for the economy as well as for business decisions
- Interpreting and applying the basics of macroeconomics models and theories to real world economies.
- Applying medium and long-run neoclassical and short-run Keynesian macroeconomic theory to current economic topics
- Explaining major determinants of growth, employment, and price stability.
- Understanding the causes and consequences of low growth rates, unemployment and inflation on business and the economy
- Interpreting different short- and long-run monetary and fiscal policies to overcome macroeconomic problems and having a clear idea how these policies can affect the economy and business

**Course contributions to the MBA program goals/learning outcomes**

	<b>Program Goal /Learning Outcome</b>	<b>Course Contributions to Learning Outcome</b>	<b>Assessment</b>
<b>1</b>	<p><b>Knowledge of business functions and processes as well as methods and models</b> Through their master's thesis, students will demonstrate their knowledge of business functions and processes as well as relevant tools.</p>	Analyzing data based on macroeconomic concepts and their limits, short-and long-term theories of the macro-economic process and its implications for policy and business, application issues of current economic policy.	<ul style="list-style-type: none"> <li>• Interactive lecture</li> <li>• Group discussion</li> <li>• Final written exam</li> </ul>
<b>2</b>	<p><b>Analytical competence, critical thinking and creative problem solving</b> Students will demonstrate analytical competence and problem solving skills.</p>	Critical analysis of the causes of macroeconomic issues and their implications. Critical discussion of competing theories regarding policy recommendations and conclusions.	<ul style="list-style-type: none"> <li>• Interactive lecture</li> <li>• Group discussion</li> <li>• Final written exam</li> </ul>
<b>3</b>	<p><b>Leadership and team competence</b> Students demonstrate social competence - being able to co-operate effectively in a team in order to achieve their aims.</p> <p>3.1 Students demonstrate social competence of being able to cooperate effectively in teams in order to achieve their aims.</p> <p>3.2 Students demonstrate that they possess leadership competencies required for leading complex projects.</p>		<ul style="list-style-type: none"> <li>• Presentation and discussion of team input for presentation</li> </ul>
<b>4</b>	<p><b>Mastery of the challenges of global sustainability</b> Students have basic knowledge of sustainability and are able to examine issues of global sustainability and their causes as well as develop strategies for sustainability.</p>	Discussion of limitations of economic GDP/GNP as welfare measures (Beyond GDP discussion etc.)	<ul style="list-style-type: none"> <li>• Group discussions</li> <li>• Final written exam</li> </ul>
<b>5</b>	<p><b>Innovation management</b> Students are able to identify innovation potential for a given case and develop complex technological strategies.</p>		

<p><b>6</b></p> <p>6.1</p> <p>6.2</p>	<p><b>Communication skills</b> Students should be able to communicate complex contexts, theories, concepts and solutions in oral and written communication convincingly.</p> <p>Students will demonstrate they are able to communicate complex material scientifically.</p> <p>Students will demonstrate oral communication skills.</p>		<ul style="list-style-type: none"> <li>• Presentation and discussion of team input for presentation</li> </ul>
<p><b>7</b></p>	<p><b>Ethical awareness</b> Students are able to develop strategies for solutions and communication based on company ethics and are able to apply them to typical decision making problems</p>	<p>Discussion of limitations of economic GDP/GNP measures and alternative approaches for welfare assessment (Human Development Approach etc.)</p>	<ul style="list-style-type: none"> <li>• Group discussions</li> <li>• Final written exam</li> </ul>

**Basic Course Outline and Organization:**

Lecture presentations will be made available by email in advance. Additional basic reading in advance is expected and necessary, as described in the course outline. The class is assumed to be interactive - students are encouraged to bring relevant articles or items for discussion when the applications apply to topics to be discussed.

I will potentially ask for presentations from groups of students throughout the course. Expectations and content will be discussed in class when we meet in the first class in January.

The final written exam will take place at a time and place to be announced. Answers will be used to assess your knowledge of the material and that you are able to apply concepts learned to real world economic and business issues.

**Grading:**

Preparations active participation in group discussions are mandatory to pass the course. Grading is normally based upon the quality of your answers in the written exam, however, participation and presentation quality will be taken in to consideration and your exam grade may be adjusted by +/- 0.5.

**Course Materials:**

**The course relies on custom lecture presentations prepared for the class, however the following text link may also serve as a supplementary source:**

## **Supplementary Texts:**

### **A basic text is (I use an older text as it is easily found and cheap!)**

Mankiw, G. N.; Taylor, M. P. (2006): *Macroeconomics*, W.H. Freeman & Co Ltd; revised European edition. Later editions are also available.

**American editions of the Mankiw text are also useful though they do not include description of European macroeconomic institutions.**

### **For example:**

Mankiw, G. N. (2010): *Macroeconomics*, 7<sup>th</sup> edition, Worth Publishers. Later editions are also available.

## **The “Core” Text:**

**For this course, and because we are online and have more time than in past years, the following online resource will also serve as a basic text:**

The Core Team (2020) *The Economy*, <https://core-econ.org/the-economy/index.html>

This is a basic economics text that includes both micro and macroeconomics. Since our course is most concerned with macroeconomics, we will focus on only some chapters. The primary advantages of this book are (i) it's free! (ii) it's international in scope and content and is therefore a good source of international information and comparison, and (iii) the perspective of this book is primarily an applied one that focuses on concept and application, with less focus on formal models. It is well-suited for an MBA class where students will be taking the material to apply it to business problems as opposed to continued study of economics at more advanced levels.

## **Lectures:**

Prepared PowerPoint materials that serve as a sort of text will be made available on Moodle.

## **Availability of the lecturer and teaching philosophy:**

Prof. Dr. Robert Godby

**Email:** [rgodby@uwoyo.edu](mailto:rgodby@uwoyo.edu)

Because I am visiting, the best way to contact me is via email. Arrangements will be made to meet students as necessary at a mutually agreeable time and place via Zoom or other video conference.

My main goal is to introduce you to macroeconomics and to make clear why this topic is so relevant to business people and policymakers, or just out of esoteric interest. The course is broken into two parts: Part I - basic macro theory and measurement, and Part II - Business cycles, growth and policy. Each covers the relevant theory. After the first class as we realize what students know and what they don't I will tailor the course to meet the needs and talents of who we have in the class. I expect to use some of the ideas we cover to be the basis of the student-led discussions. I will choose articles or topics for discussions and students will be expected to have read the assigned materials and have a level of familiarity with them that allows constructive discussions about the topics. Please do not hesitate to contact me as early as possible if you have any questions or problems.