

Syllabus: ME2720 Macroeconomics for Business – Autumn 2017

Updated: 2017-10-30

Event	Date	Time	Room	Teacher	Reading	Topic
Lecture 1	Tuesday, October 31	13:00– 15:00	E3	Luis Perez	MSB: Ch. 1–2	Introduction
Lecture 2	Thursday, November 2	13:00– 15:00	D3	Luis Perez	MSB: Ch. 3–4	Economic growth
Lecture 3	Monday, November 6	10:00– 12:00	E3	Luis Perez	MSB: Ch. 5–6	Economic growth (cont.)
Lecture 4	Wednesday, November 8	10:00– 12:00	E3	Luis Perez	MSB: Ch. 11	Business cycles
Lecture 5	Tuesday, November 13	10:00– 12:00	D3	Luis Perez	MSB: Ch. 7	The labor market
						Presentation Assignment 1
Lecture 6	Monday, November 15	15:00– 17:00	E3	Annikka Ristiniemi (Sveriges Riksbank)	MSB: Ch. 12–13	Monetary policy
Lecture 7	Tuesday, November 21	13:00– 15:00	B3	Luis Perez	MSB: Ch. 10	Consumption
						Presentation Assignment 2
Lecture 8	Thursday, November 23	13:00– 15:00	E3	José-Elias Gallegos (IIIES, SU)	MSB: Ch. 14–15	Fiscal policy
Lecture 9	Thursday, November 30	13:00– 15:00	E3	Gustav Martinsson (KTH)	MSB: Ch. 16	Financial markets
Lecture 10	Tuesday, December 5	13:00– 15:00	E2	Luis Perez		Presentation Assignment 3
						Presentation Assignment 4
Seminar 1	Tuesday, December 12	13:00– 17:00	L51	Luis Perez		Term paper presentation
Seminar 2	Thursday, December 14	13:00– 17:00	Q33	Luis Perez		Term paper presentation
Exam	Monday, January 8	08:00– 12:00	M31– M33			

Note: MSB refers to *Macroeconomics – Understanding the Global Economy (third edition)* by Miles, Scott and Breedon.

Included chapters in the book: 1–7 and 10–16.

Assignments

The purpose of the four compulsory assignments is to develop the ability to work with macroeconomic data and to perform and present macroeconomic analyses. Working with real world data, which a lot of you probably will do after graduating, is many times riddled with difficulties. First, you need to decide which data to collect. Second, you will have to find a relevant database and download the data to your own computer. Finally, you must choose how to present the result and use it to draw conclusions. You are likely to face a number of questions during this process such as what to do with missing values; what to do with suspicious data entries; etc. The assignment series is meant to familiarize you with these types of tasks and thereby making you better equipped for working life.

What do we mean by macroeconomic analysis?

Macroeconomic analysis refers to the process of utilizing macroeconomic factors and principles in the analysis of the economy. Macroeconomic factors include factors like unemployment, inflation, government policies, Gross Domestic Product (GDP) and interest rates. Such factors enable economists and financial analysts to make an informed assessment of the state of the economy of a nation. This analysis allows the economists to make accurate predictions or forecasting concerning the future of the economy in relation to the past and present statistics. (wiseGEEK.com)

It is many times very instructive and developing to discuss and solve problems within a smaller group and you are therefore allowed and encouraged to work in teams of up to three students. Note that the group must contain the same students throughout the course. Each group must hand in their solutions to the assignments in time. Failure to do so will result in additional assignment questions. Each group must present their solution to one assignment question in class.¹ All team members are required to actively participate during the presentation and be ready to answer questions from me and the rest of the class. If a group of students want to change their date of presentation with another group then please inform me as soon as possible. You need to send me your presentations no later than 13:00 the day before the lecture so I can upload them on my computer.

You need to pass all four assignments in order to complete the course. The demands will be high in order to pass and I encourage you to work through the assignments properly before handing in. In particular, make sure that:

- Team members names are on the front page
- The figures have rubrics for the axes when necessary
- You include page numbers
- You state any assumptions you have made
- You provide sources for your data
- You show any formulas used

¹ I will randomly assign one question per group after the first week of the course.

Very important!

The solution to the assignments that you hand in must comprise one (1!) coherent pdf-file containing the answer to all questions. I will not accept excel files where I must search for the solutions. The pdf-file should be easy to read, clearly showing what you have done, what variables you use, what assumptions you have made, which databases you have used etc. Tables and graphs should be included and referred to in the body of the text.

Assignment 1 – Economic growth (Ch. 1–6)

Handed out: Thursday, November 2

Deadline: Tuesday, November 13 at the beginning of class 10:15

Presentation to me before Monday, Nov. 12, 13:00 if your group is presenting

Assignment 2 – The labor market and business cycles (Ch. 7 and 11)

Handed out: Tuesday, November 14

Deadline: Tuesday, November 21 at the beginning of class 13:15

Presentation to me before Monday, Nov. 20, 13:00 if your group is presenting

Assignment 3 – Consumption, prices and economic policy (Ch. 10 and 12–15)

Handed out: Thursday, November 23

Deadline: Tuesday, December 5 at the beginning of class 13:15

Presentation to me before Sunday, Dec. 3, 13:00 if your group is presenting

Assignment 4 – Financial markets (Ch. 16)

Handed out: Thursday, November 30

Deadline: Tuesday, December 5 at the beginning of class 13:15

Presentation to me before Sunday, Dec. 3, 13:00 if your group is presenting

Term paper

You will have the opportunity to write a term paper and act as a discussant on another term paper in this course. The term paper is not compulsory, but will be rewarded a maximum of 20 credit points that will be added to the exam score before grading.² The term paper can be viewed as an extended and more complete assignment, covering a specific empirical topic in macroeconomics. You are free to choose topic yourself, but need to get an approval from me before writing the paper.

You are allowed and encouraged to work in pairs (2 students). The extent of the term paper (excluding title page and references) should be approximately 7–9 pages for a single author and 13–15 pages for a team of two authors. *Use of LaTeX is recommended.* **Otherwise, please make sure to follow the guidelines below:**

Font: Times New Roman
Size: 12 pt.
Spacing: 1.5 lines
Margins: 2.5 cm (top, bottom, left, right)

Insert page numbers.

Do not use more than two levels of headlines in the paper.

Make sure to number all figures and tables and to refer to them in the text.

The term paper must be **handed in no later than December 4**. Please use the pdf-format and make sure that all team members are mentioned on the title page. The (PowerPoint) presentations must be sent to Luis Perez **no later than December 8**.

All term papers will be tested for plagiarism with the aid of the electronic service TURNITIN. Your text must be original, but you are allowed to use shorter citations (indicated by “”) provided that you include a proper reference to the original source. Detected plagiarism will automatically render the term paper invalid without the possibility to revise.

The term paper will be **presented and defended on December 12-14**. All team members are **required to actively participate during the presentation and to participate during the entire 4-hour seminar**. The presentation is scheduled to take approximately 20 minutes followed by 10 minutes comments and questions from a designated discussant. The number of credit points awarded will be affected by the term paper's quality and your presentation and ability to answer questions from the discussants, the audience and from me.

The role as a discussant

Read through the paper you have been assigned very carefully. You need to come well prepared to this seminar! **Prepare at least five proper questions and one or more comments.**

You can find examples of a good term papers on Bilda.

² Adding credit points from the term paper is only allowed during the ordinary exam in January 2018.

The term paper shall contain the following parts:

- **Abstract**

An abstract is a succinct (one paragraph) summary of the entire paper. The abstract should briefly describe the question posed in the paper, the methods used to answer this question, the results obtained, and the conclusions. It should be possible to determine the major points of a paper by reading the abstract. Although it is located at the beginning of the paper, it is easiest to write the abstract after the paper is completed.
- **Introduction**

The introduction should (i) describe the question tested by the author, (ii) explain why this is an interesting or important question, (iii) describe the approach used in sufficient detail that a reader who is not familiar with the technique will understand what was done and why, and (iv) very briefly mention the conclusion of the paper.
- **Literature review**

A literature review is an account of what has been published on the topic by accredited scholars and researchers. The purpose is to convey to your reader what knowledge and ideas have been established on the topic you are researching, and what their strengths and weaknesses are.
- **Theory and analytical framework**

Review of theory and analytical framework, description and motivation for the choice
- **Data and empirical method**

The section should succinctly describe what was actually done. It should include a description of the techniques used so someone could figure out what were actually done
- **Results**
- **Conclusion**

Have you answered the question? What have you learned? Summary of the findings, suggestions for further research
- **Reference list**

Only references referred to in the text should be included in the reference list. The list should be complete and sorted in alphabetical order.

Written exam

The written exam is intended to verify that you have acquired the material covered in the relevant book chapters. The exam comprises 25 multiple choice questions, each worth 4 points. Hence, the maximum score is 100 points. Credit points from the term paper will be added to the exam score before grading.³

Grading

92–	A
84–91	B
76–83	C
68–75	D
60–67	E
57–59	FX
0–56	F

FX means that you are given the opportunity to do a complementary task in order to get grade E. Note that you cannot get a higher grade than E from doing the complementary task.

Only allowed aid: pen, pencil, eraser, ruler, calculator and a language lexicon kept at the supervisor's desk.

³ Adding credit points from the term paper is only allowed during the ordinary exam in January 2018.