

The Danish School of Media and Journalism
Corporate Communication
Course description
Fall semester 2020

Course: Micro- and Macroeconomics

Period (course days): 10 course days, (5 ECTS)

Graded: 7-point Scale (A-F)

Aims

The purpose of this 5th semester course is to give an *introduction to the economic environment of business*, i.e. both the microeconomic or market environment and the macroeconomic or general environment at national and international level, with particular emphasis on how it might have an influence on business and hence the communication of business as a whole as well as individual forms. More specifically, the course will provide the students with:

- An understanding that insight into the economic context of business is an important prerequisite for understanding its strategic situation, opportunities and threats, and thus its communication.
- A practical, theoretical and methodological basis for assessment and analysis of economic problems and policies, and their impact on business.
- A basis for understanding and assessing economic problems and policies and identifying relevant micro and macroeconomic theories and methods that can be used to analyse their impact on specific industries and businesses, as well as communicating these impacts to stakeholders.

Micro- and macroeconomics as the context of business

This course focuses on the context or environment of doing business rather than individual firms.

We divide the economic environment into two parts:

- 1) *Microeconomics or market environment*, which we also call the dependent or local environment, which business is in close contact with and can act in relation to, for example, customers and competitors, prices and costs, etc.
- 2) *Macroeconomics or general economic environment* on national and international level, which we also call the independent or remote environment that affects both market conditions and business, and which business can not affect but must adapt and try to act in relation to the opportunities and threats that will or might arise.

Microeconomics is dealing with individual households' and business' economic behaviour, prices and costs in single markets, competition, different market forms and 'market failures', and government regulations of the market, etc.

Macroeconomics is dealing with the interactions in "the economy as a whole", focusing on aggregate variables such as economic growth and business cycles, demand, production, employment, wages, inflation, money, interest rates, balance of payments and international trade, etc., and government policies influencing these variables.

Macroeconomic theory is based on different economic paradigms – to some extent reflecting different political ideologies - with different explanations of the macroeconomic interrelationships and the impact of economic policies. Students of communications should be able to identify and analyse these paradigms and related policies and assess their impact on, inter alia, business conditions.

Way of teaching

Each class is divided into a *lecturing part* and an *assignment part*, during which you are working with exercises and assignments in your study groups with tutoring if needed. The following class begins with a review and discussion of exercises and assignments for the previous lecture, and the groups are offered feedback on their exercises and assignments.

Learning aims

The students should learn to understand, critically assess and analyse the following main topics:

- A. The main characteristics of economics as the context of business:
 - How the micro- and macroeconomic context might influence business, and how it could be analysed
 - The distinction between micro- and macroeconomics
 - Historical perspective and assessment of different *economic 'schools'*: The 'classical', Keynesian, and New Keynesian; what policies these schools imply and what this could mean to business
- B. The microeconomic or market context of business:
 - Supply, demand, prices and elasticities
 - Different market forms with a special focus on the theoretical perfect competition and real-life oligopolistic competition
 - The economic rationale for an extensive public sector and the impact of government regulation on the economy, e.g. welfare, taxation and redistribution of incomes, competition, innovation, CSR and environmental policies.
- The macroeconomic or national and global economic context of business:
 - The importance of GDP, economic growth and business cycles
 - The determination of demand, production and employment in the short run, the role of the multiplier and the welfare state, and disagreements between different schools
 - The impact of fiscal policy, automatic stabilisers, balanced budgets and the EU regulations of national fiscal policy
 - The importance of monetary policy (interest rate policy and exchange rate policy)
 - Structural policy, mainly labor market and industrial policy, and the development of the economy in the long run.

Curriculum

Included in the curriculum are slides for the individual course days.

1. Colander, David C. (2019), *Economics*. McGraw-Hill/Irwin, New York. 11th edition.
2. Chang, Ha-Joon (2014), *Economics: A User's Guide*. The Penguin Group, London. Chapter 4 (on itslearning).
3. Campos et al (2018), "Reforms are too important too be left to reformers", VOX, CEPR Policy Portal, October.
4. Madsen, Poul Thøis (2020), *Slides for micro- and macroeconomics*. DMJX Communication, 5th semester, Aarhus.

Compulsory assignments and final test

The course includes a number of compulsory group assignments and one final individual test. The assignments must be submitted on itslearning and approved to qualify you for the final test. The final on-line test is a 4-hour individual written assignment based on a recent news paper article debating topical economic issues.

Attendance and Grading

- Students are required to attend all classes, to hand in all assignments, and to take part in the final test.
- The performance of the students will be graded individually by the Danish grading system, which is transferred to the national grading system of the individual student (A-F).
- The grade will be based on the final test only.
- Internal censorship.

Estimated workload in relation to the Study model

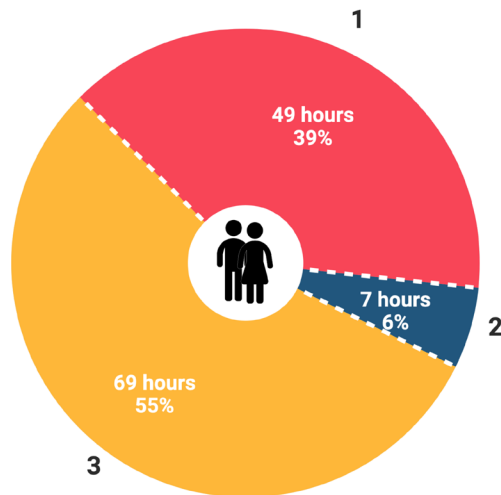
The Study Activity Model

Micro and Macro Economics

125 hours in total

5 ECTS points

3 weeks



Category 1

The lecturer has primary responsibility for the study activities, and the students have co-responsibility through their preparation and participation. Participation by students and one or more lecturers.

Seminars and group work under guidance of teacher

Category 2

The lecturer has primary responsibility for defining the learning activities, and the students have primary responsibility for taking an active part in the planned study activities. Participation by students only.

Attending and completing the final test

Category 3

Students have primary responsibility for the study activities, and the lecturer has co-responsibility for ensuring appropriate settings for the activities. Participation by students only.

Reading curriculum, preparing for class and the final test

Category 4

Students have primary responsibility for the learning activities, and the lecturer has co-responsibility for ensuring appropriate settings for the activities. Participation by students and one or more lecturers.