

**The Danish School of Media and Journalism**  
**Corporate Communication**  
**Curriculum**  
**Autumn term 2019**

**Course: Micro- and Macroeconomics**

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

**Graded: 7-point Scale (A-F)**

**Aims**

The purpose of this 5<sup>th</sup> 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 influences business and thus its communication. 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**

The 5th semester economics course deals with individual business' activities, organization and business models, which, in a complex interaction with stakeholders, is the basis for its earnings and costs. On the other hand, the surrounding world or business environment was treated as external influences and not included in the analysis. This course focuses on surrounding world as the economic environment for business, which only is analysed as part of the economic system or as practical cases.

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 arise.

*Microeconomics* is dealing with individual households' and business' economic behaviour, prices and costs in single markets, competition 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 as economic growth and business cycles, demand, production, employment, wages, inflation, money, interest rates, the balance of payments and international trade, etc., and government policies influencing these variables. Macroeconomics is too complex to be analysed from the micro level but must be analysed within the framework of general models of society; but this is a huge task, and there are different economic paradigms – often 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.

Of course, the impact of micro- and macroeconomic developments and policies must *be assessed and analyzed more detailed in relation to specific industries and businesses*, using appropriate business analysis tools.

### Form 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 lecturing part is introduced with a practical business problem, which is analysed by micro- or macroeconomic theory and method, statistics and articles, etc. The assignment part includes exercises as well as practical business cases related to the lecture. The following class begins with a review and discussion of exercises and assignments for the previous lecture, and the groups are offered individual 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 influences business, and how it could be analysed
  - The distinction between micro- and macroeconomics, the importance of realism and why experts often disagree
  - 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
  - Why we need a public sector and the impact of government regulation, 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 Fiscal Compact
  - The importance of money, inflation and interest rates, and causes and impact of the financial crisis
  - The determination of production and growth in the long term, and the importance of entrepreneurship and innovation; The consequences of economic growth on the environment, sustainability and 'green' policies
  - The determination of exports and imports, international competitiveness and the balance of payments, exchange rates and the European Monetary Union
  - The impact of globalization and free trade theory and policies, and the impact of new protectionism, including the impact of trade wars.

### Curriculum

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

1. Colander, David C. (2019), *Economics*. McGraw-Hill/Irwin, New York. 11<sup>th</sup> edition.
2. Chang, Ha-Joon (2014), *Economics: A User's Guide*. The Penguin Group, London. Chapter 4 (on Moodle).
3. Madsen, Poul Thøis (2019), *Slides for micro- and macroeconomics*. DMJX Communication, 5<sup>th</sup> semester, Aarhus.

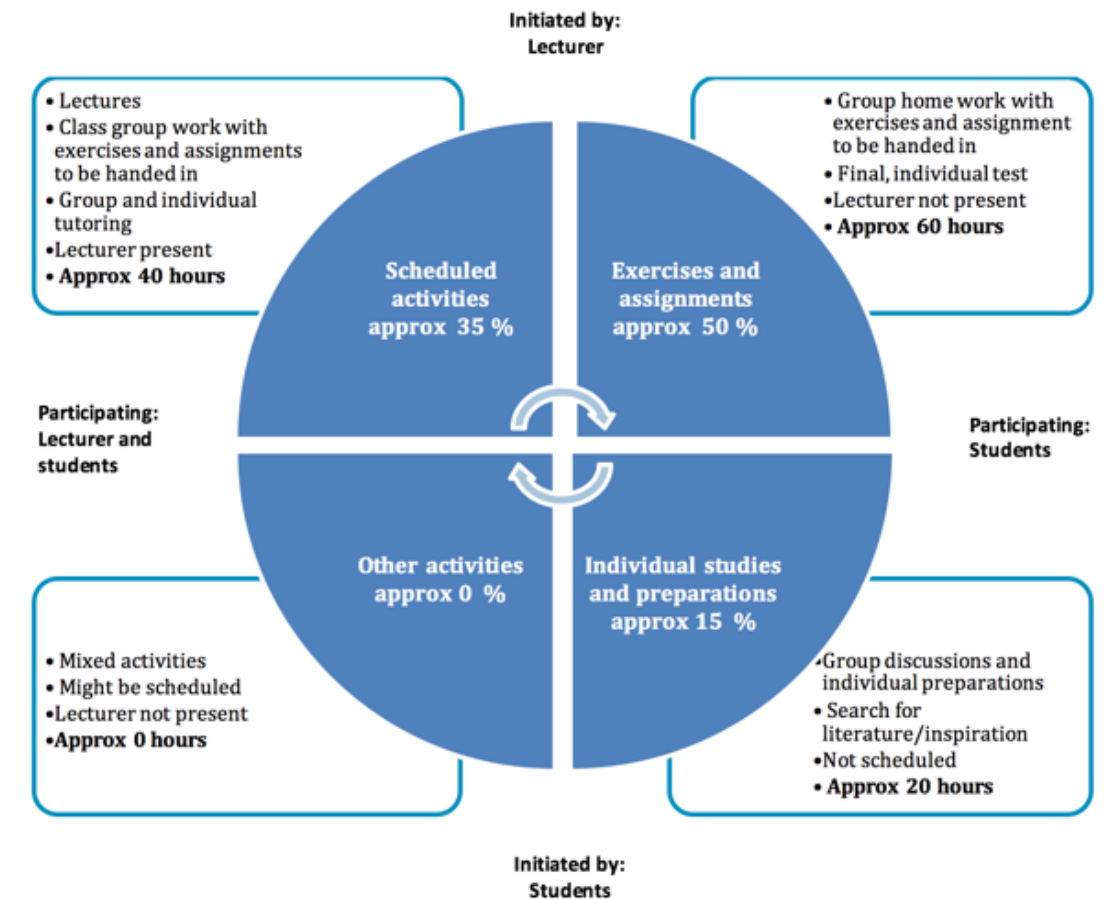
### Compulsory assignments and final test

The course includes two compulsory group assignments and a final individual test. The assignments must be submitted to moodle 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 dealing with 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).
- Internal censorship.

### Estimated workload in relation to the Study model



**Sc  
hedule, autumn term 2019**

Date	Time	Theme and activities	Literature
<b>I. MICROECONOMICS – THE MARKET CONTEXT OF BUSINESS</b>			
Thurs, Jan 2	9:15-12.25, lecture 1-3 pm exercises	What is economics? Micro 1: The market, supply and demand and elasticities	Chapter 4 and 6
Fri, Jan 3	9.15-12.25 1-3 pm.	Micro 2: Market structure: perfect competition and oligopoly	Chapter 13 and 15
Mon, Jan 6	9.15-12.25 1-3 pm. (no teacher)	Micro 3: Market failure, externalities, government failure	Chapter 8
Tues, Jan 7	9.15-12.25 1-3 p.m.	Micro 4: Regulating the market and business	Chapter 7 and 15
<b>Assignment 1 (Microeconomics) to be handed in Monday January 13 at 8 o'clock</b>			
<b>II. MACROECONOMICS – THE NATIONAL AND GLOBAL CONTEXT OF BUSINESS</b>			
Wed Jan 8	9.15-12.25 1-3 pm	Meso 1: The long run and Structural Policy – especially in relation to the labor market and business	Chapter 17, 23, 33
Thur, Jan 9	9.15-12.25 1-3 pm	Macro 1: Economic paradigms and basic macro-economic concepts	Chapter 24 and 25; Chang (Chapter 4)
Fri, Jan 10	9.15-12.25 1-3 pm	Macro 2: Fiscal policy	Chapter 32 (and Chapter 26)
Mon, Jan 13	9.15-12.25 1-3 pm	Macro 3: Monetary policy	Chapter 28, 29 and 30
Tues, Jan 14	9:15-12.25 1-3 pm	Macro 4: Exchange rate policy	Chapter 35
Wed, Jan 15	9:15-12.25	Macro 5: Globalization, new protectionism, the EMU and the single market – any leeway for an independent national economic policy?	Chapter 36 and 37
Wed, Jan 15	1-3 pm	Question hour(s), repetition and preparing for exam	Read curriculum
Jan 22		<b>Assignment 2 (Macroeconomics) to be handed in at 8 o'clock</b>	
Jan 24	9.00-1 pm	Final 4-hour written exam	Full Curriculum

**Chapter(s) refer to Colander (2019). A more detailed readers guide [læsevejledning] is available on Moodle. Lecture before in the morning – exercises in the afternoon assisted by the teacher.**