

**The Danish School of Media and Journalism
Corporate Communication
Curriculum
Autumn term 2018**

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 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 4th 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 models – 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 models and 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, cf. the course in Business understanding in the 4th semester.

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 production possibility frontier and opportunity cost, the importance of realism and why experts often disagree
 - Historical perspective and assessment of different *economic 'schools'*: The 'classical', Keynesian, Marxist and new protectionist school; what policies these schools imply and what this could mean to business
- B. The microeconomic or market context of business:
 - Marginal utility and consumer demand, consumer surplus and price and income elasticities, and their importance for business
 - Business supply, marginal costs and the determination of production, prices and profits
 - Equilibrium and prices in competitive markets, and the impact of market 'failures'
 - The consequences of imperfect competition for business prices and profits, including monopolistic competition, oligopoly and monopoly
 - 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 financial crises
 - 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 and supplementary literature (preliminary)

The individual lectures are based on various sources, which are planned to be published in English for this course. Therefore, included in the curriculum are lecture notes and slides for the individual course days (1), guiding the students through the most important parts of the course and curriculum literature, cf. below.

1. Refsgaard, Mogens (2018) [MR]: "Slides, notes and compendium of articles for Micro- and Macroeconomics". DMJX Communication, 5th semester, Aarhus.
2. Begg, David & Damien Ward (2016) [EB]: *Economics for Business*. McGraw-Hill, London. 5th Edition. (We use selected chapters and pages as curriculum, **please buy the book**).
3. Chang, Ha-Joon (2014) [CH]: *Economics: A User's Guide*. The Penguin Group, London. (Curriculum, **please buy the book**).
4. Jespersen, Jesper (2005) [JJ]: *An Introduction to Macroeconomic Theory*. Jurist- og Økonomforbundets Forlag, Copenhagen. (Curriculum, uploaded at moodle).
 _____ (2016) [JJ-AD]: "Aggregate demand". Chapter 7 in: Rochon, & Perez (eds., 2016): *An Introduction to macroeconomics*. E. Elgar. (New edition of parts of JJ, uploaded at moodle)
- Colander, David C. (2013) [COL]: *Economics*. McGraw-Hill/Irwin, New York. (Selected pages uploaded).

5. Harford, Tim (2006) [HAR 1]: *The Undercover Economist*. Oxford University Press. (Supplementary).
_____ (2013) [HAR 2]: *The Undercover Economist Strikes Back*. Little, Brown. (Supplementary)
6. Supplementary professional articles, international economics and business statistics and various news articles and cases. (To be uploaded during the course).

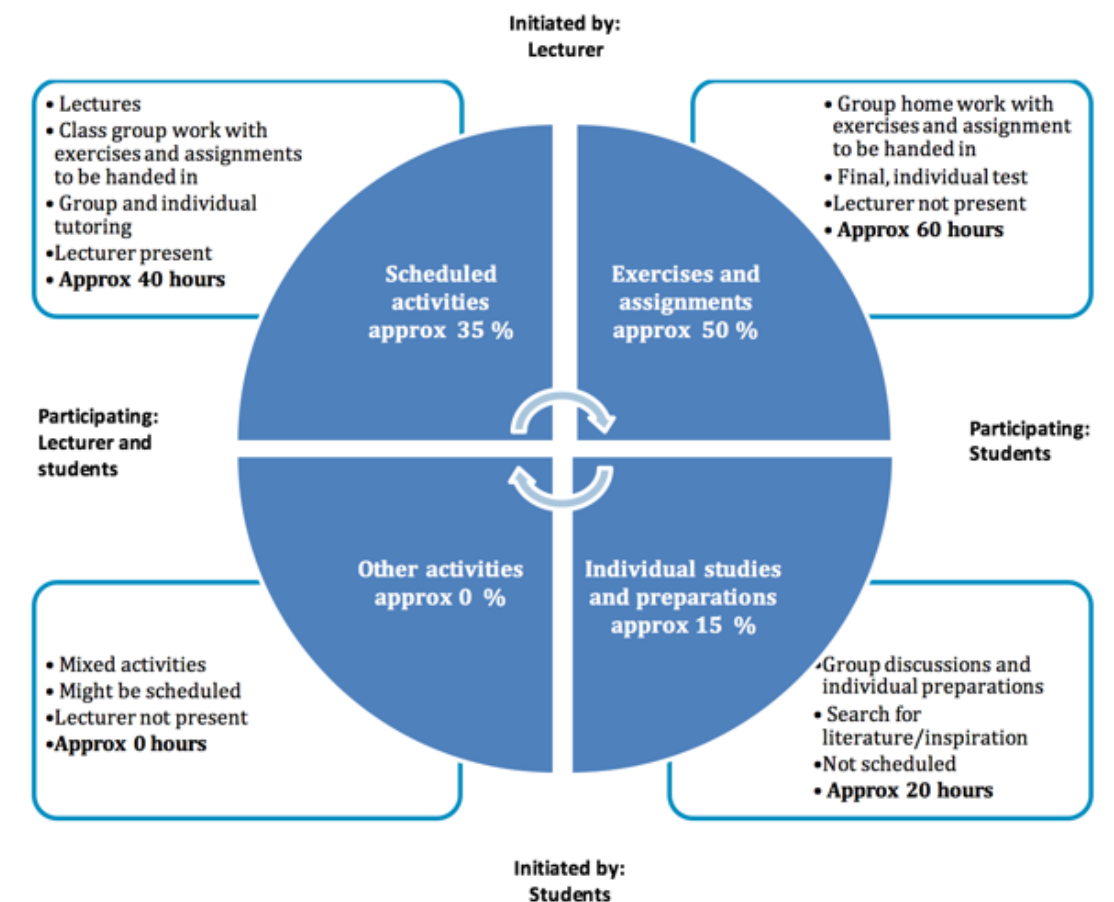
Compulsory assignments and final test

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 test is a 2-hour multiple-choice test based on assignments and curriculum.

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



Schedule, autumn term 2018

Date	Time	Theme and activities	Literature (to be updated)
Mon, Nov 12	12:30-16:30	1. Introduction to economics and business, historical perspectives and economic 'schools'	MR 1; EB 1: 3-16; CH 4: 109-170
I. MICROECONOMICS – THE MARKET CONTEXT OF BUSINESS			
Tues, Nov 13	9-14:30	2. Consumer demand, business supply and determination of prices	MR; EB 2-3: 30-53, 58-80. EB 4: 86-100
Thurs, Nov 15	12:30-16:30	3. Market competition, firms and strategic rivalry	MR 3; EB 5-6: 106-34, 140-55
Fri, Nov 16	9-14:30	4. Government regulation of the market and business	MR 4; EB 8, 201-16
Assignment 1 (Microeconomics) to be handed in Monday November 19 at 8 o'clock			
II. MACROECONOMICS – THE NATIONAL AND GLOBAL CONTEXT OF BUSINESS			
Mon, Nov 19	12:30-16:30	5. Short term macroeconomics: Macroeconomics, GDP, the short term Keynesian demand model and the multiplier	MR 5; JJ-AD; JJ, 3: 3-72; CH, 6: 209-38; EC 2016a; EB 9: 226-45
Tues, Nov 20	9-14:30	6. The labour market, unemployment and inflation	MR 6; JJ-AD; JJ, 6: 111-32; CH 10: 345-74
Thurs, Nov 22	12:30-16:30	7. Government policies influencing the economy – Keynesian fiscal and monetary policies and its critics	MR 7; JJ 7: 133-48; EC (2016a); ; CH, 11: 375-402; EC 2016a-b JJ, 8: 151-66; CH, 8: 277-314
Fri, Nov 23	9-14:30	8. Long term problems: Growth, supply of labour and capital, and entrepreneurship; sustainability, and 'green economics'; and Inequality	MR 8; EB 14: 361-79; CH: 449-62 EC 2014; GATES
Mon, Nov 26	9:30-14:30	9. The global economic context of business: The balance of payments and the EU Currency Union	MR 9; JJ, 5: 87-94, 97-106, 107-109; COL: 796-812, 819-24;
Tues, Nov 27	9:30-14:30	10. The global economic context of business: International trade and new protectionism	MR 10: CH, 12: 405-48; TR;
Assignment 2 (Macroeconomics) to be handed in Wednesday November 28 at 8 o'clock			
Thurs, Nov 29	12:30-14:30	Exam preparation, summary and questions	
Fri, Nov 30	9:30-11:30	Final 2-hour multiple choice test	Full Curriculum

Key:

Green: Curriculum

Blue: Supplementary

Orange: Further reading

Red: News articles