

The Danish School of Media and Journalism
Corporate Communication
Curriculum
Fall term 2017

Course: Economics and Business II – *Economics, Society and Politics*

Period (course days): May 18th – June 23rd 2017 (10 course days)
ECTS: 10

Graded: 7-point Scale (A-F)

Outline

The course gives an introduction to macroeconomic developments and policies in national economies in a globalised world, and to the main macroeconomic theories and methods used for economic analysis and policymaking, thus constituting the economic context for business conditions and society in general.

Macroeconomics – nature and significance

The economics course in the 4th semester dealt with microeconomics and business economics, which focuses on individual households' and business' economic behaviour, single markets, 'market failures' and government regulations of the market. Macroeconomics, on the other hand, is dealing with "the economy as a whole", i.e. the complex interactions between all agents' economic behaviour, market structures, institutions, external influences and political interventions, etc.

Due to its complexity, macroeconomics cannot be analysed from the micro level, but must be analysed within the framework of realistic and specific macroeconomic theories and methods. But this is an enormous task, and there are various competing and fundamentally different "models" – also influenced by ideological positions - aiming to explain the macroeconomic interrelationships and how they can be influenced by economic policies. It is important that students of communication are able to analyse these models and policies and critically evaluate their impact on, inter alia, business conditions.

Furthermore, since the students are going to use macroeconomics in practice, it is important that our starting point is the economic reality. Economics must be a tool to understand the real world!

Aims and learning outcomes

The course aims to give a critical introduction to macroeconomic problems and to theories, methods and concepts relevant to students of communication. Hereby the students are provided with a theoretical and methodological basis for critical macroeconomic analyses and assessments of economic developments and policies, and their consequences for business and society.

More specifically, the objectives of the course are that students are learning to:

- Reflect on the *social sciences' particular way of analysis* by combining (a) inductive (data based) empirical descriptions of macroeconomic developments and (b) deductive (theory based) analyses of these developments from various economic theories and methods, as well as on the limitations of macroeconomic analyses due to the complex nature of reality, which is complex, uncertain and constantly changing.
- Reflect broadly on *economic history* and the development of economic theories and methods in the historical context.
- Compare and reflect on the most important *economic 'schools'*: the 'classical' liberalist school (including neoclassical, monetarist and new classical schools), the Keynesian school (including neo- and post-Keynesian schools), the nationalist-protectionist school (including

mercantilism and new protectionism, cf. below), the historical-institutional school and the Marxist school.

- Understand and critically *analyse statistical descriptions* of economic developments on the basis of national and international statistics, in particular GDP and the national accounts.
- Understand the most *important macroeconomic theories and methods*, enabling them to analyse and critically assess their explanations of economic problems and policies.
- *Identify and select elements of relevant economic theories and methods* to analyse specific economic and political problems, e.g. the impact of government investments or protection against trade, enabling them to critical comparisons of these theories and comprehensive analyses of economic issues.

Lectures and exercises

Each class is divided into two parts: A *lecturing part*, during which the students are encouraged to ask questions and comment on the lecture; and an *exercise part*, during which they are working in study groups with exercises to the lecture. The exercises have to be handed in on moodle and approved to qualify you for the final exam.

Curriculum and supplementary literature

Curriculum: *The basic macroeconomic models and methods, important issues and perspectives*

- **Jespersen, Jesper (2005) [JJ]: *An Introduction to Macroeconomic Theory*.** Jurist- og Økonomforbundets Forlag, Copenhagen. Good textbook with a gradual development of the basic Keynesian macroeconomic model, including macroeconomic method, the national accounts and historical perspectives including other schools.
Currently out of stock from the publisher, and we will update it based on a recent Danish edition, new Danish and International data and developments, as well as other material. The author has kindly provided a number of copies of the book to the course at a bargain price.
- **Colander, David C. (2013) [COL]: *Economics*.** McGraw-Hill/Irwin, New York. Selected chapters about International Economics exchange rates are part of the curriculum. (uploaded as pdf-documents).
- **Chang, Ha-Joon (2014) [CH]: *Economics: A User's Guide*.** The Penguin Group, London. The full book is curriculum – international bestseller providing overview and perspectives of the most important issues in macroeconomics, including historical perspectives and comparison of various economic schools. Easy and good reading – buy it!
- **Piketty, Thomas (2014) [PI]: *Capital in the Twenty-First Century*.** Famous book about the distribution of Capital in the Western World - The historical overview in the Introduction and the Conclusion is part of the curriculum (uploaded as a pdf-document).

Supplementary Literature:

- **Jespersen, Jesper (2016) [JJ-AD] : "Aggregate demand"**. Chapter 7 in: Rochon, & Perez (editors, 2016): *An Introduction to macroeconomics – a heterodox approach to economic analysis*. E. Elgar, UK and USA. *The author has kindly given his permission to use the chapter in the curriculum.* (uploaded as a pdf-document).
- **Harford, Tim (2013) [HAR]: *The Undercover Economist Strikes Back*.** Little, Brown. Very entertaining and thoughtful book by a famous economic journalist – international bestseller!
- **Komlos, John (2014) [KOM]: *What Every Student of Economics Needs to Know – and Doesn't Get in the Usual Principles Text*.** Sharpe, New York and London. Selected chapters. Uploaded as pdf-documents).

News articles: Current macroeconomic problems and debates

- Various news articles from sources like *The Economist* and *Wall Street Journal*. News articles introducing each lecture and used as exercises, relating theories and methods to important economic problems and debates.

- Refsgaard, M (2016): *Compendium of articles about 'Trumponomics'* (uploaded to moodle). Background material about the economic policies of President Trump, which is the most important and widely discussed topic in international economics right now.

National and International Statistics: Describing and presenting macroeconomic developments

- Various statistics from e.g. Denmark (Statbank), the European Union (Eurostat), OECD Statistics and the World Bank Database. Statistical sources for describing and presenting economic development in various countries and internationally.

Final exams

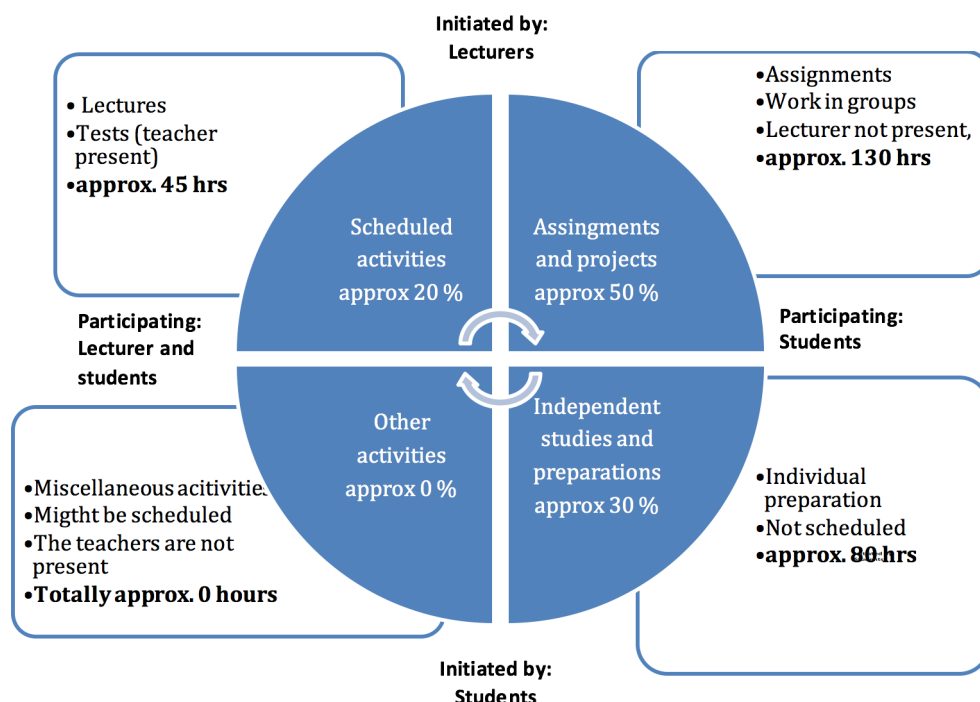
The final exam is divided into (1) a 48-hour group assignment and (2) a final, individual 3-hour test:

- The 48-hour group exam is divided into (A) sub-assignments relating to the curriculum and exercises in class, and (B) a more open assignment or case study, in which students should use the curriculum and exercises as a basis of reflection, analysis and assessment of practical economic and political problems. This assignment is graded separately, and should be passed to qualify for the final test.
- The 3-hour final, individual test is divided into (A) a multiple-choice test relating to the 48-hour assignment and the curriculum, in which you should reflect on your answer to the individual questions, and (B) a more open and analytical assignment, also relating to the curriculum. This test is also graded separately

Attendance and Grading

- Students are required to attend all classes, to hand in all exercises, and to take part in the 48-hour group assignment and the 3-hour individual 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 48-hour group assignment and the 3-hour individual final test are graded separately, and the final grade is calculated as a simple average of these two grades.
- Internal censorship.

Estimated workload in relation to the Study model



Schedule, spring term 2017

Date	Time	Theme and activities	Literature (section D)
Thursday May 18	13-16	1. Introduction to macroeconomics and GDP as a measure of economic performance and happiness	<i>JJ, Ch. 1-2, pp. 17-24, 26-32, 35-48</i> <i>CH, Ch. 1, pp. 27-28; HAR, Ch. 10-11, pp. 207-38.</i>
Wednesday May 24	13-16	2. Historical perspectives and macroeconomic 'schools'	<i>CH, Ch. 3-4, pp. 45-108, 109-170</i> <i>JJ, Ch. 9, pp. 169-85; KOM, Ch. 10, pp. 177-83</i>
Monday May 29	9:30 - 12:30	3. The Keynesian demand model, unemployment and the multiplier	<i>JJ, Ch. 3, pp. 53-72, JJ-AD, CH, Ch. 6, pp. 209-38; KOM, Ch. 11, pp. 187-96; EC 2016a-b</i>
Thursday June 1	9:30-12:30	4. The labour market, unemployment and inflation	<i>JJ, Ch. 6, pp. 111-32</i> <i>CH, Ch. 10, pp. 345-74</i>
Thursday June 8	9:30-12:30 13-14:30	5. Government control of the real economy? Keynesian fiscal policy and its critics 6. The role of the banks, monetary policy and financial crises	<i>JJ, Ch. 7, pp. 133-48</i> <i>CH, Ch. 11, pp. 375-402; EC 2016a-b</i> <i>JJ, Ch. 8, pp. 151-66</i>
Monday June 12	9:30 -12 12:30-14	7.-8. National economics in an international world: A. Globalization, international trade and new nationalism B. The balance of payments and the European Currency Union	<i>CH, Ch. 8, pp. 277-314</i> <i>JJ, Ch. 5 pp. 87-94, 97-106, 107-109</i> <i>COL, pp. 796-803, 806-12, 819-24</i> <i>CH, Ch. 12, pp. 405-48; TR 2016</i>
Thursday June 15	9:30-12:30 13-14:30 14:30-15	9.-10. Macroeconomic problems A. Growth, sustainability and 'green' economics B. Macroeconomic problems II: Inequality - The distribution of Incomes and Capital Summary and questions	<i>JJ, Ch. 4, pp.73-85.</i> <i>KOM, Ch. 14-15, pp. 220-35</i> <i>CH, Ch. 9, pp. 315-44; PI, Intro and Conclusion; EC 2014, Gates 2014</i> <i>CH, pp. 449-62; HAR, Ch. 15</i>
Mon-Wed June 19-21	9-9	48-hour group assignment	Full curriculum
Friday June 23	13-16	Final 3-hour individual test	Full curriculum

Key:

Green: Curriculum

Blue: Supplementary

Orange: Further reading

Red: News articles