

**The Danish School of Media and Journalism**  
**Corporate Communication**  
**Curriculum**  
**Spring 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 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 its communication. More specifically, the course will provide students with:

- An understanding that insight into and analysis of the economic and political 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, identifying and selecting elements of relevant micro and macroeconomic theories and methods for analysing their impact on particular industries and businesses, as well as communicating the conclusions to stakeholders.

**Micro- and macroeconomics as the context of business**

The 4th semester economics course deals with business understanding, entrepreneurship and project management, and is based on individual business' activities, organization and business model, 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 is 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 analyzed as part of the economic system or 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

After the course, the students should be able to:

- A. Understand and reflect on the main characteristics of economics as the context of business:
  - How economic environment influences business, and how it could be analysed
  - The distinction between micro- and macroeconomic problems, theory and method
  - Economic history and the impact of different *economic and political 'schools'*: the 'classical', Keynesian, Marxist and new protectionist school.
- B. Understand, reflect on and analyse (in words) the microeconomic or market context of business:
  - Consumer demand, price and income elasticities, and their importance for business
  - Business supply, 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
  - The impact of government intervention, e.g. welfare, taxation, competition, innovation, CSR and environmental policies
- C. Understand, reflect on and analyse (in words) the national 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 the 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
- C. Understand, reflect on and analyse (in words) the global economic and social context of business:
  - 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 new protectionism in e.g. USA
  - The consequences of economic growth on the environment, sustainability and 'green' policies

## Curriculum and supplementary literature (preliminary)

1. Begg, David & Damien Ward (2016): *Economics for Business*. McGraw-Hill, London. 5<sup>th</sup> Edition.
2. Chang, Ha-Joon (2014): *Economics: A User's Guide*. The Penguin Group, London.
3. Harford, Tim (2013a): *The Undercover Economist*. Oxford University Press.
4. Harford, Tim (2013b): *The Undercover Economist Strikes Back*. Little, Brown.
5. Jespersen, Jesper (2016): "Aggregate demand". Chapter 7 in: Rochon, & Perez (eds., 2016): *An Introduction to macroeconomics – a heterodox approach to economic analysis*. E. Elgar.
6. Refsgaard, Mogens (2018): *Compendium for Economics for Business*.

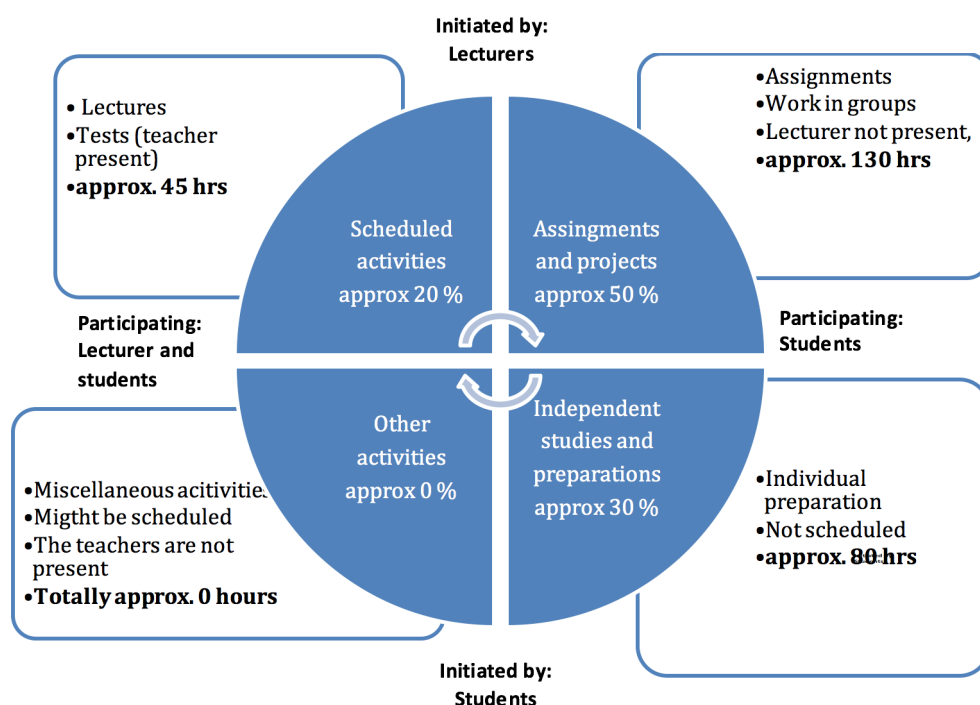
## Compulsory assignments and final test

The course includes four 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 syllabus.

## 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



## E. Schedule, spring term 2018

Date	Time	Theme and activities
Mon, Apr 16	9:30-14:30	<i>Guest lecture</i>
		1. Introduction to micro- and macroeconomics as the context of business
<b>Assignment 1 (Introduction to economics and business) to be handed in Wednesday April 18 at 8 o'clock</b>		
Wed, Apr 18	9:30-14:30	2. Consumer demand, business supply and determination of prices
Thurs, Apr 19	9:30-14:30	3. Market competition, efficiency and 'market failures'
Fri, Apr 20	9:30-14:30	4. Government intervention in the market and the welfare state
<b>Assignment 2 (Microeconomics) to be handed in Monday April 23 at 8 o'clock</b>		
Mon, Apr 23	9:30-14:30	5. The Keynesian demand model and stabilization of the business cycle – and 'classical' criticism of the Keynesian model
Tues, Apr 24	9:30-14:30	6. The role of the banks, monetary policy and financial crises
Wed, Apr 25	9:30-14:30	7. Supply side economics, growth and entrepreneurship, and inequality
<b>Assignment 3 (Macroeconomics) to be handed in on Friday April 27 at 8 o'clock</b>		
Fri, Apr 27	9:30-14:30	8. The balance of payments and the EU Currency Union
Mon, Apr 30	9:30-14:30	9. Globalization, international trade and new protectionism
Tues, May 1	9:30-12	10. Economic growth, sustainability and 'green economics'
<b>Assignment 4 (Global economics and sustainability) to be handed in on Thursday May 3 at 8 o'clock</b>		
Friday May 4	9:30-11	Summary and questions
	12-14	Final 2-hour multiple choice test