



NTNU – Trondheim
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Department of Economics

Examination paper for SØK1151

Macroeconomics for managers

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Permitted examination support material: C / Formelsamling: Knut Sydsæter, Arne Strøm og Peter Berck (2006): Matematisk formelsamling for økonomer, 4utg. Gyldendal akademiske. Knut Sydsæter, Arne Strøm, og Peter Berck (2005): Economists' mathematical manual, Berlin. Calculator: Casio fx-82ES PLUS, Citizen SR-270x, SR-270X College eller HP 30S.

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Number of pages enclosed:	0

BOKMÅL

Oppgave 1

Betrakt en åpen økonomi med faste priser og flytende valutakurs.

- a) Analyser virkninger på aggregert produksjon (BNP), rente, valutakurs, nettoeksport, konsum og investeringer av økt pengetilbud.
- b) Anta nå at private investeringer er uavhengig av renta. Hva blir virkningene av økt pengetilbud på BNP, rente, valutakurs, nettoeksport, konsum og investeringer i dette tilfellet? Sammenlign med resultatene du fant under a) og forklar eventuelle forskjeller.
- c) Anta til slutt at markedet forventer at valutakursen depresierer. Analyser hvordan dette påvirker faktisk valutakurs, BNP, rente, nettoeksport, konsum og investeringer.

ENGLISH

Question 1

Consider an open economy with fixed prices and floating exchange rates.

- a) Analyze effects on aggregate output (GDP), interest rate, exchange rate, net exports, consumption and investment of increased money supply.
- b) Assume now that private investment is independent of the interest rate. What are the effects of increased money supply on GDP, interest rate, the exchange rate, net exports, consumption and investment in this case? Compare with the results you found under a) and explain any differences.
- c) Finally, assume that the market expects that the exchange rate depreciates. Analyze how this will affect the actual exchange rate, GDP, the interest rate, net exports, consumption and investment.