



ECON864

Mathematical Economics

S2 Evening 2014

Economics

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General Information

Unit convenor and teaching staff

Unit Convenor

Edwin Franks

edwin.franks@mq.edu.au

Contact via edwin.franks@mq.edu.au

E4A 421

Available on iLearn

Credit points

4

Prerequisites

4cp in ACCG or ACST or BUS or ECON or MKTG units at 600 level

Corequisites

Co-badged status

Unit description

This unit is concerned with the mathematical techniques to problems of economic theory and policy. The theoretical section will deal with dynamics and comparative statistics. The use of difference and differential equations in the analysis of trade cycles and economic growth will be the main concern of the dynamics component while the comparative statistics section deals with optimisation techniques and the stability requirements that are obtained from the dynamic analysis.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic models.

Use the technique of Lagrange multipliers to solve problems in consumer and producer theory.

Apply calculus and linear algebra to calculate the comparative statics determined by an economic model.

Understand the theory which underlies the techniques learned.

Assessment Tasks

Name	Weighting	Due
Quiz	10%	5 September 2014
Mid-Semester Test	20%	7 October 2014
Assignment	20%	31 October 2014
Final Exam	50%	Exam Period

Quiz

Due: **5 September 2014**

Weighting: **10%**

This is an online quiz which helps students check their understanding of the material in the first five weeks.

On successful completion you will be able to:

- Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic models.
- Understand the theory which underlies the techniques learned.

Mid-Semester Test

Due: **7 October 2014**

Weighting: **20%**

This test covers the models and techniques given in the first part of ECON864. It also prepares students for the format and difficulty of the final exam.

On successful completion you will be able to:

- Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic models.
- Apply calculus and linear algebra to calculate the comparative statics determined by an economic model.

Assignment

Due: **31 October 2014**

Weighting: **20%**

Description

This assignment gives a selection of problems based mainly on those from the textbook. It covers all the material included in ECON864.

Submission

The assignment has to be handed in at by 4:30pm Friday 31 October 2014 either in class or at the postgraduate office on level 2 of building E4A.

Extension

There will be no extensions. In the case of unavoidable circumstances students should apply for a special consideration.

Penalties

2.5% of the total marks for the assignment will be deducted for each (calendar) day late. Late submissions will not be accepted after Tuesday 11 November at 6pm.

Collecting Marked Assignments

Marked assignments will be available for collection by the end of week 13 and solutions will be available online. Late submissions may not be marked and ready for collection until the end of week 14.

On successful completion you will be able to:

- Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic models.
- Use the technique of Lagrange multipliers to solve problems in consumer and producer theory.
- Apply calculus and linear algebra to calculate the comparative statics determined by an economic model.
- Understand the theory which underlies the techniques learned.

Final Exam

Due: **Exam Period**

Weighting: **50%**

This examination covers the models and techniques given in throughout ECON864.

On successful completion you will be able to:

- Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic models.
- Use the technique of Lagrange multipliers to solve problems in consumer and producer theory.

- Apply calculus and linear algebra to calculate the comparative statics determined by an economic model.

Delivery and Resources

CLASSES:

The unit has 3 hours face-to-face teaching per week. The class meeting will be held on Tuesdays from 6 to 9 p.m.

Required and Recommended Texts and/or Materials Textbook:

Two textbooks will be used, Alpha C. Chiang and Kevin Wainwright, *Fundamental Methods of Mathematical Economics* and *Introduction to mathematical economics* by Edward T. Dowling. The latter is a Shaum's outline and contains many worked examples.

Useful additional references include a calculus book such as Stewart's *Calculus* and a linear algebra book such as Anton's *Elementary linear algebra* may also be useful as a reference. There is also a linear algebra textbook which can be downloaded from <http://joshua.smcvt.edu/linearalgebra/>

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.html

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy http://mq.edu.au/policy/docs/grievance_management/policy.html

Disruption to Studies Policy http://www.mq.edu.au/policy/docs/disruption_studies/policy.html *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/support/student_conduct/

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

Graduate Capabilities

PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

Learning outcomes

- Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic models.
- Use the technique of Lagrange multipliers to solve problems in consumer and producer theory.
- Apply calculus and linear algebra to calculate the comparative statics determined by an

economic model.

Assessment tasks

- Mid-Semester Test
- Assignment
- Final Exam

PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

- Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic models.
- Use the technique of Lagrange multipliers to solve problems in consumer and producer theory.
- Apply calculus and linear algebra to calculate the comparative statics determined by an economic model.
- Understand the theory which underlies the techniques learned.

Assessment tasks

- Quiz
- Mid-Semester Test
- Assignment
- Final Exam

PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

Learning outcomes

- Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic

models.

- Use the technique of Lagrange multipliers to solve problems in consumer and producer theory.
- Apply calculus and linear algebra to calculate the comparative statics determined by an economic model.
- Understand the theory which underlies the techniques learned.

Assessment tasks

- Mid-Semester Test
- Assignment
- Final Exam

PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

Learning outcomes

- Apply linear algebra techniques to determine equilibrium outcomes to macroeconomic models.
- Use the technique of Lagrange multipliers to solve problems in consumer and producer theory.
- Apply calculus and linear algebra to calculate the comparative statics determined by an economic model.

Assessment tasks

- Assignment
- Final Exam