



ECON110

Macroeconomic Principles

S2 Day 2015

Dept of Economics

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General Information

Unit convenor and teaching staff

Unit Convenor & Lecturer

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Contact via Email via iLearn only

E4A437

Unit Administrator

Paul Crosby

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E4A Level 4

Credit points

3

Prerequisites

Corequisites

Co-badged status

Unit description

This unit is an introductory course in macroeconomics. It focuses on the economy as a whole, the economy seen as a set of markets related to each other, rather than on the features characterising the equilibrium in an individual market, for example, the market for shoes. Topics covered include gross domestic product (GDP), savings, unemployment, inflation, money, the balance of payments, exchange rates, fiscal policy and monetary policy. At the end of the course, students should be able to apply the main model used by economists to represent the economy (aggregate supply-aggregate demand), identify the forces that determine the equilibrium level of output, employment, inflation, interest rates, the exchange rate and their movements, and be able to analyse and predict the effect of shocks to supply and/or demand.

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:

Recognize and compute basic economic variables, such as GDP, inflation, savings and unemployment.

Identify the role of money, banks and illustrate the credit creation process.

Evaluate and illustrate the instruments available to governments and central banks to manage the economy.

Illustrate fluctuations in GDP and inflation using economic models and apply them to particular scenarios

Make macro-economic policy recommendations given different economic scenarios.

Illustrate the economic relationships a country has with the rest of the world.

General Assessment Information

If you do not submit or sit for any assessment task on the designated date and time, you will be accorded a mark of zero for that particular piece of assessment. It is your responsibility to check the recording of your marks on Gradebook.

If there are legitimate grounds for non-submission or non-attendance, you should consult the Disruption to Studies Policy, which can be found in the Policies and Procedures section of the Unit Guide.

http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

Note: If you are granted an extension for a task, an alternative submission date or a supplementary exam, you may be required to partake in an oral assessment task in lieu of the missed assessment. Supplementary assessment may be of a different format to the original.

Assessment Tasks

Name	Weighting	Due
<u>TUTORIAL EXERCISES</u>	30%	Weeks 2-6 & 9-13
<u>MID-SESSION TEST - OPEN BOOK</u>	30%	Week 7 (11 Sept 12-2 pm)
<u>FINAL EXAM - OPEN BOOK</u>	40%	University Examination Period

TUTORIAL EXERCISES

Due: **Weeks 2-6 & 9-13**

Weighting: **30%**

Students will be provided with a worksheet prior to each tutorial. In addition you will also be provided with stimulus material - short video, podcast or news article - to either watch, read or listen, prior to your tutorial class. This material will form the basis of the activities in the tutorial. You will submit the worksheet in class at the end of each tutorial, but only six of these will be marked by your tutor. You will not be told beforehand which worksheets will be

marked. Each marked tutorial submission is worth 5% of your total grade (Total = $6 \times 5\% = 30\%$).

On successful completion you will be able to:

- Recognize and compute basic economic variables, such as GDP, inflation, savings and unemployment.
- Identify the role of money, banks and illustrate the credit creation process.
- Evaluate and illustrate the instruments available to governments and central banks to manage the economy.
- Illustrate fluctuations in GDP and inflation using economic models and apply them to particular scenarios
- Make macro-economic policy recommendations given different economic scenarios.
- Illustrate the economic relationships a country has with the rest of the world.

MID-SESSION TEST - OPEN BOOK

Due: **Week 7 (11 Sept 12-2 pm)**

Weighting: **30%**

In Week 7 a mid-session test will be held on Friday between 12-2 pm. It will cover the material addressed in weeks 1-6 and will consist of short-answer questions. You will be provided with stimulus material - video, podcast or written piece - prior to the test on which the questions are based. You are expected to participate in the online discussion on the relationship between the economic theory and the stimulus material. This is an essential component of the learning process for this piece of assessment.

You will download the questions at 12 pm and submit your answers at any period between 1-2 pm. Instructions on the procedure will be provided closer the test date. It is your responsibility that you understand these instructions and the steps required to access, participate and submit your answers prior to the test date.

It is your responsibility to ensure you have access to a stable internet connection for the duration of the test. This is available on campus.

It is your responsibility to contact designated staff at any point during the test period that you experience any problems either downloading the test paper or submitting your answers. Failure to contact staff during the test period will result in the student receiving a mark of zero for the test. Contact details will be provided closer to the test date.

On successful completion you will be able to:

- Recognize and compute basic economic variables, such as GDP, inflation, savings and unemployment.
- Identify the role of money, banks and illustrate the credit creation process.

- Illustrate fluctuations in GDP and inflation using economic models and apply them to particular scenarios
- Make macro-economic policy recommendations given different economic scenarios.

FINAL EXAM - OPEN BOOK

Due: **University Examination Period**

Weighting: **40%**

The final examination will concentrate on the material covered in Weeks 8-13. Since the material covered in weeks 8-13 builds upon the material in weeks 1-6, some of the earlier material is addressed in the final exam.

You will be provided with stimulus material - video, podcast or written piece - prior to the test on which the questions and your answers will be based. You are expected to participate in the online discussion on the relationship between the economic theory and the stimulus material, which is an essential component of the learning for this activity.

The examination will be 2 hours writing time plus ten minutes reading time.

On successful completion you will be able to:

- Evaluate and illustrate the instruments available to governments and central banks to manage the economy.
- Illustrate fluctuations in GDP and inflation using economic models and apply them to particular scenarios
- Make macro-economic policy recommendations given different economic scenarios.
- Illustrate the economic relationships a country has with the rest of the world.

Delivery and Resources

Participation in ECON110 includes attendance at lectures, participation in tutorials and involvement in the discussion forum and the online consultations. A range of supplementary material - videos, podcasts, news articles - are also used in ECON110.

LECTURES

Students should attend the two-hour lecture every week. The lecture will be recorded and available via iLearn, but you are encouraged to attend lectures on campus grounds.

Friday 12.00-2.00 p.m. W6D Lotus Theatre

TUTORIALS

Each student must register for a tutorial. Students must finalize their tutorial enrollment by end of week 2. The timetable for classes for ECON110 is on the university's website - <http://www.timetables.mq.edu.au/>.

Tutorial changes can **ONLY** be made through e-student. Students wishing to change tutorial times should log onto e-student and register in a class where there is a vacancy. All questions of an administrative nature in respect of tutorial allocation should be addressed to the Unit Administrator, Paul Crosby. He can be contacted via email to be accessed on the ECON110 iLearn site. Other staff members will not deal with administration issues.

There will be ten (10) one-hour tutorials in weeks 2-6 and weeks 9-13.

RECOMMENDED TEXTBOOK AND ONLINE PLATFORM

Bruce Littleboy, John Taylor & Akila Weerapana (2013) "Macroeconomics: Principles and Practice," Cengage Learning Australia Pty Limited.

This book covers the majority of the content of the unit. The textbook has an associated online learning platform that you can utilize. The link to the website and its associated content will be placed on iLearn.

The recommended text can be purchased from the Macquarie University Co-op Bookshop.

Other introductory economic textbooks can also be used in ECON110 as they cover similar material. Please note that textbooks can have different approaches to the presentation of the models developed in the unit. So please be aware that these differences can arise and may be the source of confusion for some students.

TECHNOLOGY AND ASSOCIATED MATERIALS

Unit Webpage (iLearn)

Course material is available on the ECON110 iLearn site. Regularly visit the website and use it as a resource centre to assist with your learning. All notifications and information that is not included in the Unit Guide will be posted on iLearn. You must check your student email more than once a week (every day is recommended).

Interactive Technology for Lectures (Socrative)

Go to the following website - <http://socrative> - and create a student account. You will need to setup your account using the following room name: ECON110

This software can be used on your phone, tablet or computer. This will allow you to answer questions in the lecture, see other student responses and allow the lecturer to provide immediate feedback.

Online Consultations

We use software that allows for students and the lecturer to engage with each other online. This provides you with the opportunity to interact with your lecturer and other students in the comfort of your home or any other place there is a stable internet connection. Instructions will be provided on iLearn.

Podcasts

We will sometimes be using podcasts, particularly as part of the tutorial program. You will need to download a podcast app that is appropriate for your device. We will sometimes use podcasts from Planet Money <http://www.npr.org/podcasts/510289/planet-money>

Videos

Videos are used as an integral part of the unit. These can be used to assist with the content in

the lecture and illustrate the link between the theory and real situations. Some of these videos may be used in the tutorials and as stimulus material for examinations. Two common sources of videos and short films can be located at the following sites.

<https://wetheeconomy.com/>

<https://www.khanacademy.org/>

PRIZE FOR ECON110

The Westpac Macroeconomics Prize. This prize is open to all students enrolled in a Bachelor Degree. It is awarded for the best academic performance in ECON110 for 2015.

Unit Schedule

LECTURE OUTLINE		
WEEK	THE BIG QUESTIONS IN ECON110	
Week 1	What is Macroeconomics? Introduction	Ch.1-2
Week 2	How is the macro-economy performing? How do we know? Measuring GDP, Inflation & National Saving	Ch.3
Week 3	Who are the unemployed? Unemployment and the Labour Market	Ch.5
Week 4	Why is there money? Is money worthless? Do banks do anything useful? How does money become less valuable? Money, Banks & Inflation	Ch.6
Week 5	Why has GDP increased so much in Australia (and not other countries) in the last 100 years, but fluctuate in the shorter term? Distinguishing between the long run and short run	Ch.4 & 7
Week 6	Why does GDP and unemployment fluctuate? Aggregate Expenditure Model (Economic Model 1)	Ch.8 & 9
Week 7	MID-SESSION OPEN BOOK TEST	
Week 8	Why does GDP, unemployment and inflation fluctuate? How are they linked? Aggregate Demand-Aggregate Supply (Economic Model 2)	Ch.10
Week 9	Can central banks minimise fluctuations in GDP, unemployment and inflation? Monetary Policy in the Australian Context (& Economic Model 2)	Ch.11

Week 10	Can governments minimize fluctuations in GDP and unemployment? Fiscal Policy in the Australian Context (& Economic Model 2)	Ch.12-13
Week 11	Can governments minimize fluctuations in GDP and unemployment? Fiscal Policy (& Economic Model 2)	Ch.12-13
Week 12	What is the economic impact when a country interacts with other countries? Balance of Payments, Exchange Rate & Extending Economic Model 2	Ch. 14
Week 13	Over-Run & Revision	

Learning and Teaching Activities

Lectures

Lectures are an essential component of the course and attendance is mandatory.

Tutorial Participation

In tutorial you will work as a group, but submit your answers individually. Typically the group will concentrate on the stimulus material, any activities, engage in other learning activities and only then assist each other with the worksheet questions. You are encouraged to assist each other within the group, as this is a good way to learn. However, do not allow another group member to simply copy your work, as you will both be penalized and accorded a mark of zero.

Discussion Forum

The discussion forum in ECON110 is an essential component of the unit where the tutorials, stimulus material and examinations are examined. It is important to participate in this forum as important information pertinent to the exam are discussed. The specific issues/debates/guidance regarding the assessment canvased in this forum are not discussed in lectures and tutorials.

Online Consultation

Online consultation will be conducted most teaching weeks in ECON110. The software to participate in this forum is placed on ilearn.

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/

Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au.

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

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Recognize and compute basic economic variables, such as GDP, inflation, savings and unemployment.
- Identify the role of money, banks and illustrate the credit creation process.
- Evaluate and illustrate the instruments available to governments and central banks to manage the economy.
- Illustrate fluctuations in GDP and inflation using economic models and apply them to particular scenarios
- Make macro-economic policy recommendations given different economic scenarios.
- Illustrate the economic relationships a country has with the rest of the world.

Assessment tasks

- TUTORIAL EXERCISES
- MID-SESSION TEST - OPEN BOOK
- FINAL EXAM - OPEN BOOK

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Identify the role of money, banks and illustrate the credit creation process.

- Evaluate and illustrate the instruments available to governments and central banks to manage the economy.
- Illustrate fluctuations in GDP and inflation using economic models and apply them to particular scenarios
- Make macro-economic policy recommendations given different economic scenarios.
- Illustrate the economic relationships a country has with the rest of the world.

Assessment tasks

- TUTORIAL EXERCISES
- MID-SESSION TEST - OPEN BOOK
- FINAL EXAM - OPEN BOOK

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Identify the role of money, banks and illustrate the credit creation process.
- Evaluate and illustrate the instruments available to governments and central banks to manage the economy.
- Make macro-economic policy recommendations given different economic scenarios.
- Illustrate the economic relationships a country has with the rest of the world.

Assessment tasks

- TUTORIAL EXERCISES
- MID-SESSION TEST - OPEN BOOK
- FINAL EXAM - OPEN BOOK