



ECON110

Macroeconomic Principles

S1 Day 2016

Dept of Economics

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Disclaimer

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General Information

Unit convenor and teaching staff

Unit Convenor & Day Lecturer

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TBA

Administration

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Part-Time Staff

Administration so no consultation

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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:

Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.

Identify the functions of money, commercial and central banks.

Illustrate and understand the implications of the money (credit) creation process.

Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.

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

Evaluate and 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>	25%	Weeks 2-6 & 9-13
<u>MID-SESSION TEST/ASSIGNMENT</u>	30%	Week 7
<u>FINAL EXAM - OPEN BOOK</u>	45%	University Examination Period

TUTORIAL EXERCISES

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

Weighting: **25%**

In the week prior to each tutorial, a set of exercises are provided to students.

- You will submit the exercises at the end of each tutorial.
- Your tutor will mark only five of these sets of exercises.
- You will not be told beforehand which tutorials will be marked.
- Each marked tutorial submission is worth 5% of your total grade (Total = $5 \times 5\% = 25\%$).

On successful completion you will be able to:

- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
- Identify the functions of money, commercial and central banks.
- Illustrate and understand the implications of the money (credit) creation process.
- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.
- Evaluate and illustrate the economic relationships a country has with the rest of the world.

MID-SESSION TEST/ASSIGNMENT

Due: **Week 7**

Weighting: **30%**

In Week 7 there will be a mid-session test/assignment.

- The assessment will cover the content addressed in weeks 1-6.
- The assessment is based on stimulus material - video/s, podcast/s or written piece/s.
- The stimulus material is provided prior to the assessment date.
- You are expected to participate in the online discussion on the relationship between the economic theory and the stimulus material. The online discussion is an essential component of the learning for this assessment.
- It is an open book assessment. Open book assessment does not make the task easier.
- More information on the nature and approach to the assessment will be provided.

On successful completion you will be able to:

- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
- Identify the functions of money, commercial and central banks.
- Illustrate and understand the implications of the money (credit) creation process.
- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.

FINAL EXAM - OPEN BOOK

Due: **University Examination Period**

Weighting: **45%**

The final examination will concentrate on the content covered in Weeks 8-13. However, the content covered in weeks 8-13 builds upon the material in weeks 1-6. Hence, the final exam can refer to earlier content.

The final exam is similar to the mid-session assessment.

- The assessment is based on stimulus material - video/s, podcast/s or written piece/s.
- The stimulus material is provided prior to the assessment date.
- You are expected to participate in the online discussion on the relationship between the economic theory and the stimulus material. The online discussion is an essential component of the learning for this assessment.
- It is an open book assessment.

On successful completion you will be able to:

- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.
- Evaluate and 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

There is a two-hour lecture every week. You must attend lectures every week. Recorded lectures are for revision purposes and emergencies **ONLY**. Many students plan to listen to recorded lectures, few do.

Monday 12-2 pm Lotus Theatre

Wednesday 6-8 pm Macquarie Theatre

TUTORIALS

Each student must register for a tutorial. Students must finalize their tutorial enrollment by the 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. Address all questions of an administrative nature to the Unit Administrator, Dr Onur Ates. Contact Dr Ates by email found on the iLearn site for ECON110. Other staff members can not deal with administration issues.

There will be ten (10) one-hour tutorials in weeks 2-6 and weeks 8-13.

RECOMMENDED TEXTBOOK AND ONLINE PLATFORM

Joseph Stiglitz et al. (2016) "Introductory Macroeconomics for ECON110," Wiley, Sydney Australia.

The recommended textbook is an **E-TEXT** with interactive features. The e-text can be purchased online at the beginning of the session. It covers the majority of the content of the unit. Information on purchasing the textbook will be provided when available.

Other introductory economic textbooks can be used in ECON110 as they typically 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 many 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. The software 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 students and the lecturer to engage with each other online. The software provides the opportunity for engagement with your lecturer and other students from any place there is a stable internet connection.

Podcasts

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

Videos

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

<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	TOPIC	Textbook
Week 1	Introduction to Macroeconomics	Ch.1
Week 2	Concept and Measurement of GDP	Ch.2
Week 3	Concepts and Measurements of Unemployment & Inflation	Ch.3
Week 4	Money and Banks	Ch.4
Week 5	Business Cycles 1(A): Keynesian Model for Fluctuations in GDP	Ch.5
Week 6	Business Cycles 1(B): Keynesian Model for Fluctuations in GDP	Ch.5
Week 7	MID-SESSION TEST/ASSIGNMENT	

Week 8	Monetary Policy	Ch.6
Week 9	Business Cycles 2(A): AD-AS Model Fluctuations in GDP & Inflation	Ch.7
Week 10	Business Cycles 2(B): AD-AS Model Fluctuations in GDP & Inflation	Ch.7
Week 11	Deficits, Debt & Fiscal Policy	Ch.8
Week 12	International Finance	Ch.9
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 the tutorial you will work as a group, but submit your answers individually. Typically the group will concentrate on any stimulus material 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 (Piazza)

The discussion forum - Piazza - is an essential component of ECON110. Piazza is where we engage with the issues examined in the tutorials and the assessments. Note: the Unit Convenor (who writes all the assessment) will be answering nearly all your questions and offering guidance on Piazza. You need to sign yourself up to Piazza. (It is better than the discussion on iLearn). Details are provided on iLearn. It is easy.

Online Consultation

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

Peer Assisted Learning (PAL)

Peer-Assisted Learning or 'PAL' are unit specific workshops led by trained PAL Leaders who are students who have excelled in ECON110 before. PAL will help you: Achieve better grades

Understand and revise lecture content on weekly basis Get tips and hints from students who've done the unit before Stay organised and meet new people Understand "what to learn" and "how to learn it." If you would like more information www.be.mq.edu.au/pal

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

New Assessment Policy in effect from Session 2 2016 http://mq.edu.au/policy/docs/assessment/policy_2016.html. For more information visit http://students.mq.edu.au/events/2016/07/19/new_assessment_policy_in_place_from_session_2/

Assessment Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/grading/policy.html>

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

Complaint Management Procedure for Students and Members of the Public http://www.mq.edu.au/policy/docs/complaint_management/procedure.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://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources 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

- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
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- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.
- Evaluate and illustrate the economic relationships a country has with the rest of the world.

Assessment tasks

- TUTORIAL EXERCISES
- MID-SESSION TEST/ASSIGNMENT
- 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

- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
- Identify the functions of money, commercial and central banks.
- Illustrate and understand the implications of the money (credit) creation process.
- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.
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Assessment tasks

- TUTORIAL EXERCISES
- MID-SESSION TEST/ASSIGNMENT
- 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 functions of money, commercial and central banks.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.
- Evaluate and illustrate the economic relationships a country has with the rest of the world.

Assessment tasks

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

Changes from Previous Offering

The textbook is different from the textbook used in 2015.

This session the textbook is an **E-TEXT** version of Stiglitz et al. (2016). Also, note that this textbook is different to the hardcopy version of the Stiglitz textbook. I would not recommend purchasing the hardcopy textbook as substantial changes have been made.

Changes since First Published

Date	Description
02/03/2016	The inclusion of the details of the ECON110 administrator who was hired after the Unit Guide was published.
10/02/2016	A number of changes have been made to the Unit Guide since its initial publication at end of 2015, so please read carefully.