



ECON861

Advanced Macroeconomics

S2 Day 2017

Dept of Economics

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General Information

Unit convenor and teaching staff

Unit Convenor

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E4A 428

TBA

Credit points

4

Prerequisites

ECON633

Corequisites

Co-badged status

Unit description

This unit presents macroeconomic models based firmly on microeconomic foundations. Specifically, macroeconomic models are developed based on the optimising behaviour of private agents and of the government in an open economy framework. There are two important advantages of this approach. First, macroeconomic issues can be discussed in a way that is fully consistent with microeconomic behaviour. Second, because this approach is based on solid microeconomic theory, it can be used to evaluate the welfare consequences of government policy. The empirical regularities that have been found in macroeconomic data will also be discussed and used to evaluate the theory we develop.

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:

Understand and contribute to economic policy debates related to growth and business cycles.

Analyse theoretical problems in growth and business cycle models.

Critically interpret theoretical and empirical studies of growth and short-run fluctuations.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Class test</u>	25%	No	Week 7
<u>Assignment</u>	30%	No	Week 11
<u>Final exam</u>	45%	No	Formal examination period

Class test

Due: **Week 7**

Weighting: **25%**

The class test is 1.5 hours plus 10 min reading time.

Students who miss the class test and are granted disruption to studies will have to sit a supplementary test.

On successful completion you will be able to:

- Understand and contribute to economic policy debates related to growth and business cycles.
- Analyse theoretical problems in growth and business cycle models.

Assignment

Due: **Week 11**

Weighting: **30%**

Description

This assignment is based on a referee report or literature review, where students will have to demonstrate understanding and depth of readings relating theory to empirics and policy issues. Details will be provided on ilearn.

Submission

The hard copy of the assignment has to be handed in class in week 11 and the soft copy should be submitted to turnitin by 9 pm October 23.

Penalties

There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for

disruption of studies is made and approved.

On successful completion you will be able to:

- Understand and contribute to economic policy debates related to growth and business cycles.
- Critically interpret theoretical and empirical studies of growth and short-run fluctuations.

Final exam

Due: **Formal examination period**

Weighting: **45%**

Description

Two (2) hours plus 10 min reading time. To be held in the University Examination Period for Session 2, 2017.

There will be a supplementary final exam for students with approved disruption to studies.

On successful completion you will be able to:

- Understand and contribute to economic policy debates related to growth and business cycles.
- Analyse theoretical problems in growth and business cycle models.

Delivery and Resources

Classes

Lectures and tutorials are scheduled in the same day. The tutorials will complement lectures by providing opportunities to develop in detail some of the concepts and techniques. Students are expected to come prepared to lectures and tutorials.

The timetable for classes for ECON861 is on the University web site at:

http://students.mq.edu.au/student_admin/timetables

Required and Recommended Texts and/or Materials

The textbook is:

B. Sorensen and H.J. Whitta-Jacobsen – Introducing Advanced Macroeconomics (2010 – second edition), McGraw Hill (referred to as SWJ).

The required text can be purchased from the Macquarie University Co-op Bookshop. They are also available at the Macquarie Library.

Lecture slides, tutorial questions and answers will be available on ilearn.

Unit Schedule

Topic 1

Exogenous growth: the Solow model and extensions

Topic 2

Endogenous growth

Topic 3

R&D based growth models

Topic 4

Unemployment

Topic 5

Facts about business cycles. Investment and asset prices

Topic 6

Consumption and aggregate demand

Topic 7

The AS-AD model

Topic 8

Stabilisation policy

Topic 9

Limits to stabilization policy: Credibility and Uncertainty

Topic 10

The AS-AD model in the open economy

Learning and Teaching Activities

Independent and responsible learning

The teaching strategy in ECON861 recognises that students learn independently and assume responsibility for the learning process and with academic integrity.

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_2016.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 (in effect until Dec 4th, 2017): http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

Special Consideration Policy (in effect from Dec 4th, 2017): <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>

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

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

- Understand and contribute to economic policy debates related to growth and business cycles.
- Analyse theoretical problems in growth and business cycle models.
- Critically interpret theoretical and empirical studies of growth and short-run fluctuations.

Assessment tasks

- Class 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

- Understand and contribute to economic policy debates related to growth and business cycles.

- Analyse theoretical problems in growth and business cycle models.
- Critically interpret theoretical and empirical studies of growth and short-run fluctuations.

Assessment tasks

- Class 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 outcome

- Critically interpret theoretical and empirical studies of growth and short-run fluctuations.

Assessment task

- Assignment

Research and Practice

This unit gives you practice in applying research findings in your assignment and provides you with the background to conduct your own research.