ECON7013
Applied Topics in Macroeconomics
Session 2, Special circumstances 2021

Department of Economics

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Session 2 Learning and Teaching Update
The decision has been made to conduct study online for the remainder of Session 2 for all units WITHOUT mandatory on-campus learning activities. Exams for Session 2 will also be online where possible to do so.

This is due to the extension of the lockdown orders and to provide certainty around arrangements for the remainder of Session 2. We hope to return to campus beyond Session 2 as soon as it is safe and appropriate to do so.

Some classes/teaching activities cannot be moved online and must be taught on campus. You should already know if you are in one of these classes/teaching activities and your unit convenor will provide you with more information via iLearn. If you want to confirm, see the list of units with mandatory on-campus classes/teaching activities.

Visit the MQ COVID-19 information page for more detail.
General Information

Unit convenor and teaching staff
Unit Convenor
Jeffrey Sheen
jeffrey.sheen@mq.edu.au
Contact via x7287
E4A 430
Thursdays 3-5pm

Lecturer
David Orsmond
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Credit points
10

Prerequisites
Admission to MRes

Corequisites

Co-badged status
ECON713

Unit description
This unit provides the necessary tools to engage with current macroeconomic issues. It will apply rigorous economic analysis to real-world problems, developing an understanding about the relationships between key macroeconomic indicators e.g. inflation, output growth, unemployment, interest rates, wages and profits, stock market indices, exchange rates. The unit will help students to think creatively about the design and constraints of monetary, fiscal and macroprudential policy in normal times and during a crisis. In so doing students will develop the capacity to undertake independent research in macroeconomics.

Important Academic Dates
Information about important academic dates including deadlines for withdrawing from units are available at https://students.mq.edu.au/important-dates

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

ULO1: Source and interpret macroeconomic data and coherently use the key concepts
in macroeconomics.

**ULO2**: Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.

**ULO3**: Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to the issues.

**ULO4**: Co-operate with peers in groups to prepare and present the results of collaboration on current topical issues.

**General Assessment Information**

Essay topics, mid-session test question paper and final exam question paper will be available on iLearn.

No extensions on within-session assessments will be granted for all assessments listed below.

**For Essay**: 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 special consideration is made and approved.

**For Group Research & Presentation and Final Exam**: students who have not submitted the task prior to the deadline or sit the exam will be awarded a mark of 0 for the task, except for cases in which a formal application for Special Consideration is made (via http://www.ask.mq.edu.au/) and approved.

If the application is successful, the missed assessment will be replaced by an supplementary test, which could involve an oral test.

**Assessment Tasks**

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Research and Presentation</td>
<td>15%</td>
<td>No</td>
<td>Week 13</td>
</tr>
<tr>
<td>Mid-session test</td>
<td>20%</td>
<td>No</td>
<td>Week 7</td>
</tr>
<tr>
<td>Essay</td>
<td>25%</td>
<td>No</td>
<td>Week 12 (Thursday 2pm)</td>
</tr>
<tr>
<td>Final online examination</td>
<td>40%</td>
<td>No</td>
<td>In final examination period</td>
</tr>
</tbody>
</table>

**Group Research and Presentation**

Assessment Type 1: Presentation
Indicative Time on Task 2: 15 hours
Due: Week 13
Weighting: 15%
Each group will be allocated a current report by a major agency, such as the Reserve Bank, to be analysed and presented as a seminar towards the end of the session. Students are required to present a summary of the key points in the report. The group must meet regularly throughout the session to complete the necessary research on the allocated report, and to prepare the presentation. The presentation can be designed to include possible discussion points for the class.

On successful completion you will be able to:

- Source and interpret macroeconomic data and coherently use the key concepts in macroeconomics.
- Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.
- Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to the issues.
- Co-operate with peers in groups to prepare and present the results of collaboration on current topical issues.

**Mid-session test**

Assessment Type ¹: Quiz/Test  
Indicative Time on Task ²: 15 hours  
Due: **Week 7**  
Weighting: **20%**

*There will be a mid-session test based on material covered in the relevant lectures.*

On successful completion you will be able to:

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- Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.
- Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to the issues.

**Essay**

Assessment Type ¹: Essay  
Indicative Time on Task ²: 20 hours  
Due: **Week 12 (Thursday 2pm)**  
Weighting: **25%**

The 1,750-word essay is due before the beginning of the seminar in Week 12. Students choose any one of the topics on contemporary issues provided by the lecturer, conduct a literature
review, and write a reasoned essay about the issue and its implications for macroeconomics. A significant weight in the marking will be placed on the literature review and research methodology used.

On successful completion you will be able to:

- Source and interpret macroeconomic data and coherently use the key concepts in macroeconomics.
- Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.
- Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to the issues.

**Final online examination**

**Assessment Type**: Examination  
**Indicative Time on Task**: 30 hours  
**Due**: In final examination period  
**Weighting**: 40%

A two-hour open book examination will be held during the University Examination Period, and will be based on all topics and presentations covered in the unit in Weeks 1-13.

On successful completion you will be able to:

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- Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.
- Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to the issues.

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1 If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the Learning Skills Unit for academic skills support.

2 Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

**Delivery and Resources**

**LECTURES/SEMINARS** (refer to https://timetables.mq.edu.au for class time)
This unit will be delivered entirely online.

Pre-recorded lectures in Weeks 1-6 and 8-9 will be available through ECHO in iLearn prior to the assigned weekly time slot in the timetable - Thursdays 2-5pm. These lectures will each be approximately 2 hours in length. In the 3rd hour (Thursdays from 3:30pm), an interactive ZOOM session will be held that all students must attend and participate in.

In Weeks 10-13, the interactive ZOOM session will be for the entire assigned time slot (Thursdays 2-5pm).

**Required and Recommended Texts and/or Materials**

There is no required textbook for this course.

It is assumed that you understand well an intermediate macroeconomics textbook


A good (but only reference) text for this unit is:

S. Williamson, Macroeconomics , 2018, 6th global edition, Pearson

Useful readings for the topics are given in the Unit Schedule, and extra readings may be recommended during the lectures.

**Unit Web Page**

You can access the ECON8013/7013 web site on iLearn from anywhere on the Internet. To login you need a Username and password. All lecture slides should be available on the iLearn site at least by midday of the lecture.

**Unit Schedule**

This a planned schedule, and there may be minor variations as the session progresses.

**WEEK 1  (JS)  Monetary policy frameworks – inflation targeting, and alternatives**

Debelle, G. 2018 Twenty-five Years of Inflation Targeting in Australia RBA Conference Central Bank Frameworks: Evolution or Revolution? 2018


Williamson Ch15

**WEEK 2  (JS)  Low inflation, the natural rate of unemployment**


Williamson Chs 14-15

WEEK 3 (JS) Links between fiscal policy and monetary policy – the government budget constraint, the fiscal theory of prices, hyperinflation

Blanchard and Sheen 2013 Chs 23-24


WEEK 4 (JS) Digital money and the payments system; the future of cryptocurrencies – eg Bitcoin, Libra


WEEK 5 (DO) The causes of financial crises and policy responses


WEEK 6 (DO) Financial regulation: Principles and practice


WEEK 7 MID-SESSION TEST

WEEK 8 (DO) China’s economic emergence: Past, present and future


TOPIC 9 (DO) Low global interest rates: Causes and policy responses


WEEK 10 Group Seminar: The RBA Statement on Monetary Policy, August 2021

WEEK 11 Group Seminar: IMF World Economic Outlook 2021

WEEK 12 Group Seminar: BIS Annual Report 2021

WEEK 13 Group Seminar: RBA Financial Stability Review, October 2021

Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

• Academic Appeals Policy
• Academic Integrity Policy
• Academic Progression Policy
• Assessment Policy
• Fitness to Practice Procedure
• Grade Appeal Policy
• Complaint Management Procedure for Students and Members of the Public
• Special Consideration Policy (Note: The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.)

Students seeking more policy resources can visit the Student Policy Gateway (https://students.mq.edu.au/support/study/student-policy-gateway). It is your one-stop-shop for the key policies you
need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit Policy Central (https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/admin/other-resources/student-conduct

Results
Results published on platform other than eStudent, (eg. iLearn, Coursera etc.) 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 or if you are a Global MBA student contact globalmba.support@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 help you improve your marks and take control of your study.

• Getting help with your assignment
• Workshops
• StudyWise
• Academic Integrity Module

The Library provides online and face to face support to help you find and use relevant information resources.

• Subject and Research Guides
• Ask a Librarian

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

If you are a Global MBA student contact globalmba.support@mq.edu.au

Equity 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.
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.