



ECON6033

Intermediate Macroeconomics

Session 1, Fully online/virtual 2021

Department of Economics

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	5
<u>Unit Schedule</u>	5
<u>Policies and Procedures</u>	7

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Notice

As part of [Phase 3 of our return to campus plan](#), most units will now run tutorials, seminars and other small group activities on campus, and most will keep an online version available to those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face activities for your unit, please go to [timetable viewer](#). To check detailed information on unit assessments visit your unit's iLearn space or consult your unit convenor.

General Information

Unit convenor and teaching staff

Unit Convenor

Marjan Nazifi

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Contact via Email

4ER 429

Thursday 11-12

Credit points

10

Prerequisites

Admission to MAppEcon or MBioBus

Corequisites

Co-badged status

Unit description

This unit is designed to provide the postgraduate student with a deeper understanding of how the economy as an aggregate works. In so doing it allows students to understand economic policy and apply it to the specific context of their interest. The unit covers a wide range of models in use to investigate economic issues today. It will discuss how unemployment and underemployment, employment opportunities, business profits and investment returns, and how policy can impact on these socially relevant outcomes. By openly discussing ways governments can use policy to influence key economic areas, including productivity, national output, unemployment, inflation and household debt, students will have the opportunity to critically explore successful and unsuccessful policies, and gain a perspective on important contemporary policy debates.

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:

ULO1: Explain how macroeconomic concepts can be applied to wider economic problems and issues.

ULO2: Critically evaluate the applicability of economics to the real world challenges.

ULO3: Select, justify and utilise appropriate language and analytical structure to formulate appropriate solutions to complex economic issues.

ULO4: Analyse and frame international and contemporary issues and challenges facing society, business and government.

General Assessment Information

There is no option for completing the assessment tasks after the submission closing time. No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for Special Consideration is made and approved. 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 to cases in which an application for special considerations is made and approved. Students who have plagiarised will be awarded a mark of zero, will not be permitted to resubmit, and may be reported to the University Disciplinary Committee for further action.

Assessment Tasks

Name	Weighting	Hurdle	Due
Quiz/Test	20%	No	Weeks 5 and 10
Assignment	40%	No	Ongoing
Final Examination	40%	No	University Examination Period

Quiz/Test

Assessment Type ¹: Quiz/Test

Indicative Time on Task ²: 10 hours

Due: **Weeks 5 and 10**

Weighting: **20%**

There will be two online quizzes/tests to assess student knowledge of concepts and their application. The quiz/test will be held in week 5 and week 10.

On successful completion you will be able to:

- Explain how macroeconomic concepts can be applied to wider economic problems and issues.
- Select, justify and utilise appropriate language and analytical structure to formulate

appropriate solutions to complex economic issues.

Assignment

Assessment Type ¹: Problem set

Indicative Time on Task ²: 20 hours

Due: **Ongoing**

Weighting: **40%**

There will be a series of complex problems requiring appropriate solutions that rely on the knowledge and application of theories and concepts.

On successful completion you will be able to:

- Explain how macroeconomic concepts can be applied to wider economic problems and issues.
- Critically evaluate the applicability of economics to the real world challenges.
- Select, justify and utilise appropriate language and analytical structure to formulate appropriate solutions to complex economic issues.
- Analyse and frame international and contemporary issues and challenges facing society, business and government.

Final Examination

Assessment Type ¹: Examination

Indicative Time on Task ²: 20 hours

Due: **University Examination Period**

Weighting: **40%**

A three-hour- online-open-book examination (tight exam), consisting of both multiple choice questions and short answer questions, will be held during the University Examination Period. The examination will be administered online.

On successful completion you will be able to:

- Explain how macroeconomic concepts can be applied to wider economic problems and issues.
- Critically evaluate the applicability of economics to the real world challenges.
- Select, justify and utilise appropriate language and analytical structure to formulate

appropriate solutions to complex economic issues.

- Analyse and frame international and contemporary issues and challenges facing society, business and government.

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 [Writing Centre](#) 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

Classes

This unit provides three hours (fully online) teaching per week using a combination of asynchronous (recorded lectures, slides, discussion forums, etc) and synchronous (Zoom meetings, etc.). Many of the models used in this unit are drawn from the following text - students may find it interesting to have a look at the 4th edition of this text, for which there is also an e-book: Olivier Blanchard & Jeffrey Sheen, Macroeconomics, Pearson, 4th Australasian edition, 2013. (hereafter B&S). Students may also wish to look at the 3rd edition of this text, which covers some additional topics. However neither is mandatory, as the lectures and other materials contain all that is required for successful completion of the unit.

Technology Used and Required Unit Web Page on iLearn

Lecture and all teaching material as well as up to date information concerning any aspect of the unit, including any changes to the schedule, will be available to students by logging on to the unit web page at <http://ilearn.mq.edu.au>. The following information will be available on iLearn: Unit schedule, Announcements, Lecture slides, Lecture videos, Assignments, Results of Assessment tasks, and Other relevant material. You need to regularly check the website and use it as a resource centre to assist with your learning. If you are unable to access the iLearn website because you are not aware of or have forgotten your username and password, please ask for assistance from the IT helpdesk by logging a ticket at any time using the OneHelp link, or by email at help@mq.edu.au. Or you can call direct: +61 2 9850 HELP (4357) or Australian toll-free: 1800 MQ HELP (1800 67 4357). If you are close to the Sydney campus, you can visit the help service desk on the ground floor of Building C5C (17 Wally's Walk) Room 244. The IT helpdesk will also be able to assist you with using the unit web page. Please remember to log out when you have finished using the unit web page. Failure to do so could result in unauthorised access to your unit web page account.

Unit Schedule

Topic 1 Introduction: ** B&S Chs 1, 2 Various statements and speeches on monetary policy in

2020 Reserve Bank of Australia, eg www.rba.gov.au/PublicationsAndResearch/StatementsOnMonetaryPolicy/index.html

**T. Atkin, M. Caputo, T. Robinson and H. Wang (2014), "Macroeconomic Consequences of Terms of Trade Episodes, Past and Present" <http://www.rba.gov.au/publications/rdp/2014/2014-01.html>

* J. Kearns, and P. Lowe (2011), "Australia's Prosperous 2000s: Housing and the Mining Boom", RBA discussion paper series RDP 2011-07. <http://www.rba.gov.au/publications/rdp/2011/pdf/rdp2011-07.pdf>

Topic 2 The IS-LM model: ** B&S Chs 3, 4, 5 ** Reserve Bank of Australia "Monetary Policy" <http://www.rba.gov.au/monetary-policy/index.html> *D Romer (2000), Keynesian Macroeconomics Without the LM Curve, Journal of Economic Perspectives, Spring, pp 149-169, and also NBER Working Paper No. 7461 [www.nber.org/papers/w7461]

Topic 3 The labour market: ** B&S Ch 6 *M. Plumb, M. Baker and G. Spence (2010) "The Labour Market during the 2008–2009 Downturn", The RBA Bulletin, March 2010 <http://www.rba.gov.au/publications/bulletin/2010/mar/1.html> * Jeff Borland (2011) The Australian labour market in the 2000s: A quiet decade. <http://www.rba.gov.au/publications/confs/2011/borland.pdf>. * Australian Treasury 2015, 2015Intergenerational report (2015),<https://treasury.gov.au/publication/2015-igr>

Topic 4 The AS-AD model: ** B&S Ch 7 * G Stevens (2003) "Inflation Targeting: A Decade of Australian Experience" RBA 2003, <http://www.rba.gov.au/publications/bulletin/2003/apr/pdf/bu-0403-3.pdf>

Topic 5 Evolution of the Phillips curve: ** B&S Ch 8. * D Gruen, A Pagan, C Thompson (1999) "The Phillips Curve in Australia" RBA 1999, <http://www.rba.gov.au/publications/rdp/1999/1999-01.html>. *C Gillitzer (2016) "The sticky information Phillips curve: evidence for Australia", <https://onlinelibrary.wiley.com/doi/full/10.1111/1475-4932.12279>

Topic 6 The macroeconomics of financial market crises: ** B&S Ch 9 * L Ellis (2009) "The Global Financial Crisis: Causes, Consequences and Countermeasures", RBA Bulletin, May 2009 http://www.rba.gov.au/PublicationsAndResearch/Bulletin/bu_may09/Pdf/bu_0509_4.pdf

* B. Bernanke "The Federal Reserve and the Financial Crisis" 2012, <http://www.federalreserve.gov/newsevents/lectures/about.htm>

Topic 7 Sources and theories of economic growth in long-run: ** B&S Chs 10, 11 * P. Romer (1994) "The Origins of Endogenous Growth", Journal of Economic Perspectives, Winter 1994 * Australian Treasury (2010) "Australia to 2050: Future challenges". Intergenerational Report 2010 archive.treasury.gov.au/igr/igr2010/report/pdf/IGR_2010.pdf. * Australian Treasury (2015). Intergenerational Report 2015 <https://treasury.gov.au/publication/2015-igr>

Topic 8 Technology, population growth and the Solow model: ** B&S Chs 12, 13 * R Gordon (2000) "Does the 'New Economy' Measure up to the Great Inventions of the Past?" Journal of Economic Perspectives, Fall 2000, & <http://papersdev.nber.org/papers/W7833>

Topic 9 Expectations: ** B&S Chs 14, 15, 16, 17

Topic 10 The exchange rate and the balance of payments: ** B&S Chs 18, 19 * Reserve Bank Bulletin (2017), "Recent Trends in World Saving and Investment Patterns" October 2017, <http://www.rba.gov.au/publications/bulletin/2017/oct/pdf/bu-1005-4.pdf>

Topic 11 The Mundell-Fleming model: ** B&S Chs 20, 21 * G Kelly and G La Cava (2013) "Value-added trade and the Australian economy" RBA Bulletin March 2013, <http://www.rba.gov.au/publications/bulletin/2013/mar/pdf/4.html> * I. MacFarlane (2000) "Recent Influences on the Exchange Rate", RBA Bulletin December 2000, <http://www.rba.gov.au/publications/bulletin/2000/dec/pdf/bu-1200-1.pdf>

Topic 12 Back to Policy: ** B&S Chs 22, 23, 24 ** R. Gregory (2013) "Living standards, terms of trade and foreign ownership: reflections on the Australian mining boom" April 2012, The Australian Journal of Agricultural and Resource Economics, Special Issue (<http://onlinelibrary.wiley.com/doi/10.1111/j.1467-8489.2012.00588.x/abstract>)

* E. Connolly, J. Jääskelä and M. van der Merwe (2013) "The Performance of Resource-exporting Economies" RBA Bulletin, <http://www.rba.gov.au/publications/bulletin/2013/sep/3.html>

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au). 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](#)

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

To find other policies relating to Teaching and Learning, visit [Policy Central \(https://policies.mq.edu.au\)](https://policies.mq.edu.au) and use the [search tool](#).

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 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](#)

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