ECON3011
Macroeconomic Policy
Session 1, Online-scheduled-weekday 2022
Department of Economics

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## General Information

<table>
<thead>
<tr>
<th>Unit convenor and teaching staff</th>
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<tbody>
<tr>
<td>Unit Convenor</td>
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<tr>
<td>Jeffrey Sheen</td>
</tr>
<tr>
<td><a href="mailto:jeffrey.sheen@mq.edu.au">jeffrey.sheen@mq.edu.au</a></td>
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<tr>
<td>Room 432, E4A Building</td>
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<tr>
<td>Thursdays 3-5pm</td>
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<tr>
<td>Guest Lecturer</td>
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<tr>
<td>David Orsmond</td>
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<tr>
<td><strong>Credit points</strong></td>
</tr>
<tr>
<td>10</td>
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<tr>
<td><strong>Prerequisites</strong></td>
</tr>
<tr>
<td>20cp at 2000 level including ECON204 or ECON2004</td>
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<tr>
<td><strong>Corequisites</strong></td>
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<tr>
<td><strong>Co-badged status</strong></td>
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<tr>
<td><strong>Unit description</strong></td>
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<td>This unit develops macroeconomic models with a focus on key contemporary issues such as persistent low inflation, interest rates, secular stagnation, alternative monetary policy frameworks, fiscal policy constraints, understanding financial crises, financial regulation and cryptocurrencies. Students will develop an understanding of the reasons for these problems, and how key policy institutions such as the RBA, APRA and Treasury are addressing them.</td>
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</table>

## 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](https://www.mq.edu.au/study/calendar-of-dates)

## Learning Outcomes

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

- **ULO1**: Analyse and explain macroeconomic policy in a general framework.
- **ULO2**: Appraise how monetary and fiscal policies are determined in the context of the current economic environment.
- **ULO3**: Critically evaluate the effectiveness of current macroeconomic policy in achieving
stated goals.

**General Assessment Information**

**Essay Assignment (20%)**

- Due online in iLearn through TURNITIN before Friday midnight of Week 12,
- Choose any one of the topics on contemporary issues (provided separately on iLearn).
- Research it widely in journal, books, professional magazines etc, and write a reasoned essay about the issue and its implications for macroeconomic outcomes and policy.
- Format: Maximum 1500 words. You may use any number of figures and diagrams and tables. Use 12 point font, 1.5 line spaces and A4 page size.
- It is essential to cite any writing that is not your own – remember the essays will be submitted online on iLearn through TURNITIN, which can detect copied material from anywhere at any time globally.
- NB Possible topics will be provided in iLearn.

**Mid-session Test (25%)**

- Held online in-class in Week 7
- Weighting: 25%
- Details of the mid-semester test will be discussed in Week 6.

**Final examination (50%)**

- In examination week (June)
- Weighting: 50%
- The end-of-session exam will be online. Details of the exam will be discussed in Week 13.

**Late submissions of assessments**

Unless a Special Consideration request has been submitted and approved, no extensions will be granted. There will be a deduction of 10% of the total available assessment-task marks made from the total awarded mark for each 24-hour period or part thereof that the submission is late. Late submissions will only be accepted up to 96 hours after the due date and time.

No late submissions will be accepted for timed assessments – e.g., quizzes, online tests.

Table 1: Penalty calculation based on submission time

https://unitguides.mq.edu.au/unit_offerings/153431/unit_guide/print
### Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-session class test</td>
<td>25%</td>
<td>No</td>
<td>Week 7</td>
</tr>
<tr>
<td>Essay assignment</td>
<td>20%</td>
<td>No</td>
<td>Week 13</td>
</tr>
<tr>
<td>Participation</td>
<td>5%</td>
<td>No</td>
<td>In Zoom sessions</td>
</tr>
<tr>
<td>Final examination</td>
<td>50%</td>
<td>No</td>
<td>In final examination period</td>
</tr>
</tbody>
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### Mid-session class test

**Assessment Type**: Quiz/Test  
**Indicative Time on Task**: 15 hours  
**Due**: Week 7  
**Weighting**: 25%

The 80 minute online class test will be based on the lecture material and exercises covered in weeks 1 to 6.

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<table>
<thead>
<tr>
<th>Submission time after the due date (including weekends)</th>
<th>Penalty (% of available assessment task mark)</th>
<th>Example: for a non-timed assessment task marked out of 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;24 hours</td>
<td>10%</td>
<td>10% x 30 marks = 3-mark deduction</td>
</tr>
<tr>
<td>24-48 hours</td>
<td>20%</td>
<td>20% x 30 marks = 6-mark deduction</td>
</tr>
<tr>
<td>48-72 hours</td>
<td>30%</td>
<td>30% x 30 marks = 9-mark deduction</td>
</tr>
<tr>
<td>72 – 96 hours</td>
<td>40%</td>
<td>40% x 30 marks = 12-mark deduction</td>
</tr>
<tr>
<td>&gt;96 hours</td>
<td>100%</td>
<td>Assignment won’t be accepted</td>
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### Special Consideration

To request an extension on the due date/time for a timed or non-timed assessment task, you must submit a Special Consideration application. An application for Special Consideration does not guarantee approval.

The approved extension date for a student becomes the new due date for that student. The late submission penalties above then apply as of the new due date.
On successful completion you will be able to:

- Analyse and explain macroeconomic policy in a general framework.
- Appraise how monetary and fiscal policies are determined in the context of the current economic environment.

Essay assignment

Assessment Type: Report
Indicative Time on Task: 20 hours
Due: Week 13
Weighting: 20%

Provide an answer to questions of an analytical nature and/or write a short essay/report which might require the use of Australian data.

On successful completion you will be able to:

- Appraise how monetary and fiscal policies are determined in the context of the current economic environment.
- Critically evaluate the effectiveness of current macroeconomic policy in achieving stated goals.

Participation

Assessment Type: Participatory task
Indicative Time on Task: 0 hours
Due: In Zoom sessions
Weighting: 5%

Students are expected to participate in live seminars and the forum

On successful completion you will be able to:

- Analyse and explain macroeconomic policy in a general framework.
- Appraise how monetary and fiscal policies are determined in the context of the current economic environment.
Final examination

Assessment Type: Examination
Indicative Time on Task: 35 hours
Due: In final examination period
Weighting: 50%

A two-hour open book examination will be held during the University Examination Period, and will be based on material covered in lectures from weeks 1 to 13 (inclusive), with an emphasis on material presented after the class test.

On successful completion you will be able to:

• Appraise how monetary and fiscal policies are determined in the context of the current economic environment.
• Critically evaluate the effectiveness of current macroeconomic policy in achieving stated goals.

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

Lectures

Lectures are formally on Thursdays 5-7pm online. The first segment is a recorded lecture, while the second segment will begin at 5::30pm as an interactive ZOOM session in which you are expected to participate.

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 eg

A good 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 Schedule**

**WEEKS 1-2 (24 February, 3 March).** Refresher on ISLM, AS-AD; Malthusian growth model, Solow growth model, Endogenous growth models (JS)

*Blanchard and Sheen 2013 Chs 5-12*


*Williamson Chs 1-3, 7-8*

**WEEK 3 (10 March).** Low inflation, the natural rate of unemployment (JS)


*Williamson Chs 14-15*

**WEEK 4 (17 March).** Secular stagnation, potential growth, technology and inequality (JS)


**WEEK 5 (24 March).** Monetary policy frameworks – inflation targeting and alternatives (JS)


Williamson Ch 15

WEEK 6 (31 March). Links between fiscal policy and monetary policy – the government budget constraint, the fiscal theory of prices, hyperinflation (JS)

Blanchard and Sheen 2013 Chs 23-24


WEEK 7 (7 April). Mid-session test - online 5pm.

..Mid-session break...

WEEK 8 (28 April). The causes of financial crises and policy responses (DO)


Williamson Ch. 18

WEEK 9 (5 May). Financial regulation: Principles and practice (DO)


WEEK 10 (12 May) Digital money and the payments system; the future of cryptocurrencies – eg Bitcoin, Libra, central bank digital currencies (JS)


Williamson Chs 18

WEEKS 11-12 (19 and 26 May). Official Australian and global economy reports (JS)

Latest RBA Statement on monetary policy, Commonwealth Budget statements, World Economic Outlook et al

WEEK 13 (2 June). Summary and overview, Q and A, discussion of final exam

Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (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
- Assessment Procedure
- Complaints Resolution 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). 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) 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

**Academic Integrity**

At Macquarie, we believe academic integrity – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free online writing and maths support, academic skills development and wellbeing consultations.

**Student Support**

Macquarie University provides a range of support services for students. For details, visit http://students.mq.edu.au/support/

**The Writing Centre**

The Writing Centre provides resources to develop your English language proficiency, academic writing, and communication skills.

- Workshops
- Chat with a WriteWISE peer writing leader
- Access StudyWISE
- Upload an assignment to Studiosity
- Complete the 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**

Macquarie University offers a range of Student Support Services including:
Student Enquiries
Got a question? Ask us via AskMQ, or contact Service Connect.

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.

Changes from Previous Offering
Unit has been changed to include much more on contemporary policy issues,