ECON3011
Macroeconomic Policy
Session 2, Online-scheduled-weekday 2023
Department of Economics

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https://unitguides.mq.edu.au/unit_offerings/161171/unit_guide/print
General Information

Unit convenor and teaching staff
Jeffrey Sheen
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Credit points
10

Prerequisites
20cp at 2000 level including ECON204 or ECON2004

Corequisites

Co-badged status

Unit description
This unit develops a range of macroeconomic models with a focus on a selection of key contemporary issues. For example, the unit may include studying appropriate business cycle measurement and shocks, inflation targeting and alternative monetary policy frameworks, fiscal policy constraints, recurrent financial crises and the need for financial regulation, digital financial and technological innovations, population dynamics, climate change mitigation and the implications of growing inequality. Students will develop an understanding of the reasons for these sort of problems, and how key policy institutions such as the RBA, APRA and Treasury are addressing them.

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:

UL01: Analyse and explain macroeconomic policy in a general framework.
UL02: Appraise how monetary and fiscal policies are determined in the context of the current economic environment.
UL03: Critically evaluate the effectiveness of current macroeconomic policy in achieving stated goals.

General Assessment Information
See https://policies.mq.edu.au/document/view.php?id=190&version=1
Late Assessment Submission Penalty (written assessments)

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of ‘0’ will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55 pm. A 1-hour grace period is provided to students who experience a technical concern.

For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to submit an application for Special Consideration.

Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essay assignment</td>
<td>20%</td>
<td>No</td>
<td>Week 12, Friday midnight</td>
</tr>
<tr>
<td>Final examination</td>
<td>50%</td>
<td>No</td>
<td>In final examination period</td>
</tr>
<tr>
<td>Mid-session class test</td>
<td>25%</td>
<td>No</td>
<td>Week 7</td>
</tr>
<tr>
<td>Participation</td>
<td>5%</td>
<td>No</td>
<td>In ZOOM sessions</td>
</tr>
</tbody>
</table>

Essay assignment

Assessment Type 1: Report
Indicative Time on Task 2: 20 hours
Due: **Week 12, Friday midnight**
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.

Final examination

Assessment Type 1: Examination
Indicative Time on Task 2: 35 hours
Due: **In final examination period**
Weighting: **50%**

A two-hour 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.

**Mid-session class test**
Assessment Type: Quiz/Test
Indicative Time on Task: 15 hours
Due: **Week 7**
Weighting: **25%**

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

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.

**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.

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.

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 Wednesdays 3-5pm online. The first segment is a recorded lecture, while the second segment will begin at 3:30pm 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:*


*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 (26 July, 2 August).**

*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 (9 August).**

Low inflation/high inflation, the natural rate of unemployment (JS)

- Williamson Chs 14-15

**WEEK 4 (16 August).**

Secular stagnation, potential growth, technology and inequality (JS)


**WEEK 5 (23 August).**

Monetary policy frameworks – inflation targeting and alternatives (JS)

resources/explainers/unconventional-monetary-policy.html

- Williamson Ch 15

WEEK 6 (30 August).

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 (6 September).

Mid-session test - online 3pm.

..Mid-session break...

WEEK 8 (27 September).

The causes of financial crises and policy responses (DO)

- Williamson Ch. 18

WEEK 9 (4 October).

Financial regulation: Principles and practice (DO)


WEEK 10 (11 October)

Digital money and the payments system; the future of cryptocurrencies, CBDCs – eg Bitcoin, Ripple, central bank digital currencies (JS)
• Williamson Chs 18

WEEKS 11-12 (18 and 25 October).

Official Australian and global economy reports (JS)
• Latest RBA Statement on monetary policy, Commonwealth Budget statements, World Economic Outlook et al

WEEK 13 (1 November).
Summary and overview, Q and A, discussion about 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:
• IT Support
• Accessibility and disability support with study
• Mental health support
• Safety support to respond to bullying, harassment, sexual harassment and sexual assault
• Social support including information about finances, tenancy and legal issues
• Student Advocacy provides independent advice on MQ policies, procedures, and processes

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.