ECON3011
Macroeconomic Policy
Session 2, Online-scheduled-In person assessment 2024

Department of Economics

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General Information

Unit convenor and teaching staff
Convenor
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Lecturer
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Credit points
10

Prerequisites
ECON2004 or ECON204

Co-badged status

Unit description
This unit further develops macroeconomic models with a focus on key contemporary policy and operational issues such as variable inflation rates, interest rates, alternative monetary policy frameworks, fiscal policy constraints, climate change, understanding financial crises, financial regulation and cryptocurrencies. Students develop an understanding of the factors that behind these issues and how key policy institutions such as the RBA, APRA and Treasury seek to address 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:

ULO1: Analyse and explain macroeconomic policy within 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 its stated goals.
General Assessment Information

LATE SUBMISSION PENALTY
A maximum penalty of five percentage points of the total possible marks will be applied per day to late submissions, for up to a maximum of seven calendar days. Tasks that have not been submitted within the maximum number of additional late days will receive a mark of zero, unless otherwise specified in the late penalties section of the Unit Guide. Late submission for a task will only be permitted when specified in the unit guide. This provision does not apply to online exams or other assessment with a time-limit of less than 24 hours.

Where an application for Special Consideration is approved and the outcome is an extension to the due date of a task, submissions that are received after the new due date will be subject to late penalties that are calculated from the new due date. This only applies where the outcome is an extension to the due date – see the Special Consideration Policy for a schedule of all possible outcomes.

Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final examination</td>
<td>50%</td>
<td>No</td>
<td>In final examination period</td>
</tr>
<tr>
<td>Participation</td>
<td>5%</td>
<td>No</td>
<td>In weeks 1-13</td>
</tr>
<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 10</td>
</tr>
</tbody>
</table>

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

A two-hour examination will be held during the University Examination Period, and will be on 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 its stated goals.

**Participation**

Assessment Type 1: Participatory task
Indicative Time on Task 2: 0 hours
Due: In weeks 1-13
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 within a general framework.

• Appraise how monetary and fiscal policies are determined in the context of the current economic environment.

**Mid-session class test**

Assessment Type 1: Quiz/Test
Indicative Time on Task 2: 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 within 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 10
Weighting: 20%

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

CLASSES

There will be some pre-recorded learning material posted on iLearn each Tuesday or before. There will also be a 2-hour face-to-face class each Wednesday, 4-6pm in 14SCO T5 Lecture Theatre

To access your timetable, visit Class Finder and confirm the day and location (which could change) on eStudent.

Prizes

VICTOR ARGY PRIZE FOR ECON3011
This prize commemorates Victor Argy who was Professor of Economics at Macquarie University from 1973 until his death in 1993. The prize, to the value of $350, is awarded for proficiency in ECON3011 and is open to all candidates proceeding to the degree of Bachelor.

RECOMMENDED TEXTS

There is no required textbook for this unit.


Good reference texts for this unit are:


or


Up-to-date commentaries and data on the Australian economy can be found in the following:

- Department of the Treasury, Economic Roundup, AGPS, Canberra, published quarterly (available online at http://www.treasury.gov.au/)

Data relating to Australia and other countries are also available on the Internet. Useful sites include the following:

- Reserve Bank of Australia: http://www.rba.gov.au
- FRED, https://fred.stlouisfed.org/

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 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  Low inflation/high inflation/disinflation (JS)
Williamson Chs 14-15
Jones Ch 13

WEEK 4  Secular stagnation, potential growth, technology and inequality (JS)

WEEK 5  Monetary policy frameworks – inflation targeting and alternatives (JS)
Jones Ch12
**WEEK 6**  
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


Cochrane, J. (2022) The Fiscal Theory of the Price Level Draft text:  
https://www.johnhcochrane.com/research-all/the-fiscal-theory-of-the-price-level-1

Jones Ch 18

**WEEK 7**  
Mid-session test

**WEEK 8**  
The causes of financial crises and policy responses (DO)

Reinhart, C. and K. Rogoff (2008), This Time is Different: Eight Centuries of Financial Folly,  


Williamson Ch. 18

**WEEK 9**  
Financial regulation: Principles and practice (DO)


**WEEK 10**  
Digital money and the payments system; the future of cryptocurrencies, CBDCs – eg Bitcoin, Ripple, central bank digital currencies (JS)


Härdle, W. and Harvey, C. and Reule, R., Understanding Cryptocurrencies (March 26,
WEEKS 11-12-13  Official Australian and global economy reports (US)

Latest RBA Statement on Monetary Policy, Treasury Budget Papers, Intergenerational Report, WEO

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.

Unit information based on version 2024.03 of the Handbook