ECON3011

Macroeconomic Policy

Session 2, Online-scheduled-In person assessment 2026

Department of Economics

Contents

General Information

Unit convenor and teaching staff Jeffrey Sheen jeffrey.sheen@mq.edu.au	
Credit points 10	
Prerequisites ECON2004 or ECON204	
Corequisites	
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 Assessment Submission Penalty (written assessments)

If you submit your assessment late, 5% of the total possible marks will be deducted for each day (including weekends), up to 7 days. Submissions more than 7 days late will receive a mark of 0.

Example 1 (out of 100): *If you score 85/100 but submit 20 hours late, you will lose 5 marks and receive 80/100.*

Example 2 (out of 30): *If you score 27/30 but submit 20 hours late, you will lose 1.5 marks and receive 25.5/30.*

Extensions:

Automatic short extension: Some assessments are eligible for automatic short extension. You can only apply for an automatic short extension before the due date.

Special Consideration: If you need more time due to serious issues and for any assessments that are not eligible for Short Extension, you must apply for Special Consideration. Need help? Review the Special Consideration page for further details.

Assessment Tasks

Name	Weighting	Hurdle	Due	Groupwork/Individual	Short Extension	AI Approach
Professional practice: Policy evaluation	25%	No	27/10/2026	Individual	Yes	Open AI
Formal examination	50%	No	During final examination session	Individual	No	Observed
Skills development: Analytical tasks	25%	No	Week 7, Thursday September 10	Individual	No	Observed

Professional practice: Policy evaluation

Assessment Type [1]: Professional task
Indicative Time on Task [2]: 20 hours
Due: **27/10/2026**
Weighting: **25%**
Groupwork/Individual: Individual
Short extension [3]: Yes
AI Approach: Open AI

The purpose of this assessment is for students to demonstrate their analytical skills in evaluating economic issues and related macroeconomic policies. Students will need to analyse proposed issues, evaluate relevant policies using both academic and policy sources and available data.

Skills in focus:

- Discipline knowledge
- Critical thinking and problem solving
- Work readiness

Deliverable(s): Written report [max 1600 words]

Individual assessment

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.

Formal examination

Assessment Type [1]: Examination
Indicative Time on Task [2]: 35 hours
Due: **During final examination session**
Weighting: **50%**
Groupwork/Individual: Individual
Short extension [3]: No
AI Approach: Observed

The purpose of this assessment is for you to demonstrate the expertise you have gained in Economic Development.

You will participate in a 2-hour exam held during the University Examination period.

Important information about the exam will be made available on the unit iLearn page. You should also review the MQ Exams website for general tips.

Deliverable(s): Formal exam

Individual assessment

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.
- Critically evaluate the effectiveness of current macroeconomic policy in achieving its stated goals.

Skills development: Analytical tasks

Assessment Type [1]: Problem-based task
Indicative Time on Task [2]: 15 hours
Due: **Week 7, Thursday September 10**
Weighting: **25%**
Groupwork/Individual: Individual
Short extension [3]: No
AI Approach: Observed

The purpose of this assessment is for students to demonstrate their analytical skills in evaluating economic issues. Students will apply their skills learned in the unit to show how to solve the issues related to economic structure and policy.

Skills in focus:

- Discipline knowledge
- Critical thinking and problem solving

Deliverable(s): Written answers to problem set

Individual assessment

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.

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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
- Academic Success 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.

[3] An automatic short extension is available for some assessments. Apply through the Service Connect Portal.

Delivery and Resources

CLASSES There will be learning material in the form of slides posted on iLearn before each session. There will be a 2-hour face-to-face class each Thursday from 1-3pm

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

RECOMMENDED TEXTS

There is no required textbook for this unit.

It is assumed that you understand well an intermediate macroeconomics textbook eg

O. Blanchard , J. Sheen, S. Huangfu, B. Wang (BSHW) Macroeconomics, 2025, 5h edition, Pearson

https://www.pearson.com/en-au/subject-catalog/p/macroeconomics/P200000011371/ 9780655713418

Good reference texts for this unit are:

S Williamson, Macroeconomics , 2018, 6th global edition, Pearson (https://www.pearson.com/en-au/subject-catalog/p/macroeconomics-global-edition/P200000005752/9781292439969)

or

C Jones, Macroeconomics International Student Edition, 6th edition 2024

https://www.wileydirect.com.au/blog/buy/macroeconomics-international-studentedition/?srsltid=AfmBOoqi1vM9bmAhssaZESNNq3eJ93ZvhCIK5OimT64OnOPlkz0Rrtqv

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

• Reserve Bank of Australia, Bulletin, published monthly: http://www.rba.gov.au • 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:

- ABS Time Series Service: http://www.abs.gov.au
- Budget Papers for Australia: http://www.treasury.gov.au/
- Reserve Bank of Australia: http://www.rba.gov.au
- FRED, https://fred.stlouisfed.org/

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.

Unit Schedule

Here is an outline of the topics that will be covered week-by-week. Additional readings may be provided on iLearn

Week 1 The Global context, Refresher on ISLM-PC model

BSHW 2025 Chs 5-13

McLeay,M. Radia, A and Thomas R. 2914 Money creation in the modern economy. Bank of England Quarterly Bulletin Q1 2014 •

Williamson Chs 1-3

Jones Chs 3, 5, 6

Week 2 Monetary policy frameworks – inflation targeting and alternatives

BSHW 2025 Ch 23

Debelle, G. 2018 Twenty-five Years of Inflation Targeting in Australia. RBA Conference, Central Bank Frameworks: Evolution or Revolution? 2018 https://www.rba.gov.au/speeches/2018/spdg-2018-04-12.html

Rogoff, K. 2017. Dealing with monetary paralysis at the zero bound. Journal of Economic Perspectives, https://scholar.harvard.edu/files/rogoff/files/dealing_with_monetary_paralysis_at_the_zero_bound.pdf

RBA Explainer - Unconventional monetary policy. https://www.rba.gov.au/education/resources/explainers/unconventional-monetary-policy.html

Jones Ch12

Week 3 Low inflation/high inflation/disinflation

Blanchard, O. 2018 Should we reject the natural rate hypothesis? Journal of Economic Perspectives, Vol 32, 1 Winter 2018 https://pubs.aeaweb.org/doi/pdf/10.1257/jep.32.1.97

Bernanke, B & Blanchard, O. 2024 An analysis of pandemic-era inflation in 11 economies https://www.piie.com/publications/working-papers/2024/analysis-pandemic-era-inflation-11-economies

Cassidy, N., Rankin,E., Read, M. and Seibold,C. 2019 Explaining Low Inflation Using Models https://www.rba.gov.au/publications/bulletin/2019/jun/explaining-low-inflation-using-models.html •

Williamson Chs 14-15

Jones Ch 13

Week 4 Links between fiscal policy and monetary policy – the government budget constraint, the fiscal theory of prices, hyperinflation

BSHW 2025 Ch 22

Blanchard, O. (2019) Public Debt and Low Interest Rates, American Economic Review, www.piie.com/system/files/documents/wp19-4.pdf

Blanchard, O. (2021) Fiscal Policy under Low Interest Rates Draft text: https://fiscal-policyunderlow-interest-rates.pubpub.org/

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 5 Productivity growth: reasons for the decline and solutions for improvement

M Plumb "Why productivity matters" RBA Speech February 2025, https://www.rba.gov.au/speeches/2025/sp-so-2025-02-27.html

Z Duretto, O Majeed and J Hambur, "Overview: Understanding productivity in Australia and the global slowdown" The Treasury 2022 https://treasury.gov.au/sites/default/files/2022-10/p2022-325290-overview.pdf

Productivity Commission Quarterly Bulletin March 2025, Productivity: there and back again. https://www.pc.gov.au/ongoing/productivity-insights/bulletins/quarterly-bulletin-march-2025/bulletin-march-2025.pdf

Productivity Commission Annual Bulletin February 2025, Multifactor Producitvity, https://www.pc.gov.au/ongoing/productivity-insights/bulletins/bulletin-2025/productivity-bulletin-2025.pdf

The Economist 14 June 2025, Factory jobs are overrated. https://www.economist.com/finance-and-economics/2025/06/10/factory-work-is-overrated-here-are-the-jobs-of-the-future

Week 6: Solow growth model, Malthusian growth model, Endogenous growth model

BSHW 2025 Chs 10-13

Williamson Chs 7-8

Jones Chs 9, 11

Week 7 Mid-session test - in-class 1:00-2:10pm

Week 8 Secular stagnation, potential growth and technology and inequality

Arsov, I and Watson, B. 2019 Potential Growth in Advanced Economies RBA Bulletin 12 December 2019 https://www.rba.gov.au/publications/bulletin/2019/dec/potential-growthinadvanced-economies.html

Gordon, R. 2014 US Economic Growth is Over: The Short Run Meets the Long Run, Think Tank 20: Growth, Convergence and Income Distribution: The Road from the Brisbane G-20 Summit: https://www.brookings.edu/wp-content/uploads/2016/07/tt20-united-states-economicgrowth-gordon.pdf

PIIE 2020 How to Fix Economic Inequality? An Overview of Policies for the United States and Other High-Income Economies. (https://www.piie.com/microsites/how-fix-economic-inequality

Week 9 Digital money and the payments system; the future of cryptocurrencies – eg Bitcoin, CBDCs

Dark, C., Emery, D, Ma,J. and Noone, C. 2019 Cryptocurrency: Ten Years On. RBA

Bulletin,www.rba.gov.au/publications/bulletin/2019/jun/cryptocurrency-ten-years-on.html

Kumar, A, Smith. C 2018 Crypto-currencies – An introduction to not-so-funny moneys, Journal of Economic Surveys 32,8 https://onlinelibrary.wiley.com/doi/full/10.1111/ joes.12289

Härdle, W. and Harvey, C. and Reule, R., Understanding Cryptocurrencies (March 26, 2019).https://ies.keio.ac.jp/upload/20191125econo_Wolfbang_wp.pdf

Richards, T., Thompson, C., and Dark, C. Sep 2020. Retail central bank digital currency - design considerations, rationales and implications. RBA Bulletin. https://www.rba.gov.au/publications/bulletin/2020/sep/retail-central-bank-digital-currency-design-considerations-rationales-and-implications.html

Williamson Chs 18

Week 10 The Causes of Financial Crises and Policy Responses

Reinhart, C. and K. Rogoff (2008), This Time is Different: Eight Centuries of Financial Folly, NBER Paper 13882, March https://www.nber.org/papers/w13882.pdf

RBA Explainer: The Global Financial Crisis, https://rba.gov.au/education/resources/explainers/pdf/the-global-financial-crisis.pd

Yuksel M. (2019), ‘A decade of post-crisis G20 financial sector reforms,’ RBA Bulletin, June https://rba.gov.au/publications/bulletin/2019/jun/pdf/a-decade-of-post-crisis-g20-financial-sector-reforms.pdf

Orsmond D. and F. Price (2016), ‘Macroprudential policy frameworks and tools,’ RBA Bulletin, December https://www.rba.gov.au/publications/bulletin/2016/dec/pdf/rba-bulletin-2016-12-macroprudential-policy-frameworks-and-tools.pdf

Week 11 Official Australian and Global Economy reports: RBA

Latest RBA Statement on Monetary Policy (11 August 2026) - https://www.rba.gov.au/publications/smp/

Week 12 Global economy reports IGR

The Treasury's Intergenerational Report - https://treasury.gov.au/publication/2023-intergenerational-report

Week 13 Global economy reports WEO

Latest World Economic Outlook from the IMF (October 2026) - https://www.imf.org/en/publications/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 connect.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/

Academic Success

Academic Success provides resources to develop your English language proficiency, academic writing, and communication skills.

- Ask a Study Coach
- 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 the Service Connect Portal, or contact Service Connect.

IT Help

For help with University computer systems and technology, visit https://students.mq.edu.au/support/technology/service-desk.

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 2026.03 of the Handbook