ECON8013

Applied Topics in Macroeconomics

Session 2, In person-scheduled-weekday, North Ryde 2026

Department of Economics

Contents

General Information

Unit convenor and teaching staff Jeffrey Sheen jeffrey.sheen@mq.edu.au
Credit points 10
Prerequisites (Admission to GradCertResMQBS or GradDipResMQBS or MAppEc (1 year)) or ECON6033 or ECON6049 or ECON8091
Corequisites
Co-badged status
Unit description This unit provides the necessary tools to engage with current macroeconomic issues. It will apply rigorous economic analysis to real-world problems, developing an understanding of the relationships between key macroeconomic indicators e.g. inflation, output growth, unemployment, interest rates, wages and profits, stock market indices, exchange rates. The unit will help students to think creatively about the design and constraints of monetary, fiscal and macroprudential policy in normal times and during a crisis.

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: Source and interpret macroeconomic data and use key concepts in macroeconomics.

ULO2: Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.

ULO3: Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to issues.

ULO4: Co-operate with peers in groups to prepare and present the results of collaboration on current topical issues.

ULO5: Write and discuss advanced macroeconomic analysis in a creative, logical and professional way.

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
Formal examination	40%	No	During final examination session	Individual	No	Observed
Professional practice: Policy report review	20%	No	Weeks 10-13	Individual and Group	No	Observed
Skills development: Macroeconomic issues	40%	No	06/10/2026	Individual	Yes	Open AI

Formal examination

Assessment Type [1]: Examination
Indicative Time on Task [2]: 35 hours
Due: **During final examination session**
Weighting: **40%**
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 this unit.

You will participate in a 2-hour, on campus, closed-book 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:

- Source and interpret macroeconomic data and use key concepts in macroeconomics.
- Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.
- Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to issues.

Professional practice: Policy report review

Assessment Type [1]: Presentation task
Indicative Time on Task [2]: 15 hours
Due: **Weeks 10-13**
Weighting: **20%**
Groupwork/Individual: Individual and Group
Short extension [3]: No
AI Approach: Observed

The purpose of this task is for you to work collaboratively in a group on a given report written by an agency (such as a central bank). Each group needs to prepare a presentation discussing the key points in that report.

Skills in focus:

- Critical thinking and problem solving
- Communication skills
- Discipline knowledge
- Global, ethical and environmental citizenship

Deliverable(s): Presentation (10min)

Individual and group assessment

On successful completion you will be able to:

- Source and interpret macroeconomic data and use key concepts in macroeconomics.
- Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.
- Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to issues.
- Co-operate with peers in groups to prepare and present the results of collaboration on current topical issues.
- Write and discuss advanced macroeconomic analysis in a creative, logical and professional way.

Skills development: Macroeconomic issues

Assessment Type [1]: Professional task
Indicative Time on Task [2]: 30 hours
Due: **06/10/2026**
Weighting: **40%**
Groupwork/Individual: Individual
Short extension [3]: Yes
AI Approach: Open AI

The purpose of this assessment is for you to understand how macroeconomic theories and policies are materialized in the real world. You will choose one of the topics on contemporary issues provided by the unit convenor, research it widely in journals, books, professional magazines, etc, and write a reasoned essay about the issue and its implications for macroeconomic outcomes and policy.

Skills in focus:

- Critical thinking and problem solving
- Communication skills
- Discipline knowledge
- Global, ethical and environmental citizenship

Deliverable(s): Written essay [max 1500 words]

Individual assessment

On successful completion you will be able to:

- Source and interpret macroeconomic data and use key concepts in macroeconomics.
- Apply advanced macroeconomic models to understand the behaviour of key macroeconomic variables.
- Identify and interpret topical macroeconomic issues, and use advanced macroeconomic models to understand how policy should respond to issues.

- Write and discuss advanced macroeconomic analysis in a creative, logical and professional way.

---

[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 Wednessday from 6-8pm

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/

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-policyunder-low-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

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 Productivity, 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: China's economic emergence

P Krugman, 1994, The Myth of Asia's Miracle, Foreign Affairs Nov-Dec 1994 https://www.brmandel.com/uploads/3/2/4/5/3245755/myth_of_asias-miracle.pdf

L V de Souza, 2024, Trapped! China and the middle income trap, VOXEU https://cepr.org/voxeu/columns/trapped-china-and-middle-income-trap

H X Wu, 2014, China’s Growth and Productivity Performance Debate Revisited - Accounting for China’s Sources of Growth with a New Data Set, https://www.conference-board.org/pdf_free/workingpapers/epwp1401.pdf

A Baird, S Nightingale & G Taylor, Behind the Great Wall: China’s Post-pandemic Policy Priorities, RBA Bulletin January 2025, https://www.rba.gov.au/publications/bulletin/2025/jan/behind-the-great-wall-chinas-post-pandemic-policy-priorities.htm

Week 7 Financial crises and regulation:

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 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 Official Australian Economy Report: RBA

Group 1 will present :

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

Week 11 **Official Global Economy Report: World Bank**

Group 2 will present :

Latest World Bank Global Economic Prospects: June 2026

https://www.worldbank.org/en/publication/global-economic-prospects

Week 12 Official Australian Economy report: The Australian Treasury's IGR

Group 3 will present:

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

Week 13 Official Global Economy Report" The IMF's WEO

Group 4 will present:

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 2026.05 of the Handbook