# ECON110
## Macroeconomic Principles
### S1 Day 2016

*Dept of Economics*

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## Disclaimer
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# General Information

<table>
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<tr>
<th>Unit convenor and teaching staff</th>
<th>Unit Convenor &amp; Day Lecturer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Alison Vicary</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:alison.vicary@mq.edu.au">alison.vicary@mq.edu.au</a></td>
<td>Contact via Email via iLearn ONLY</td>
</tr>
<tr>
<td>E4A437</td>
<td>TBA</td>
</tr>
</tbody>
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| Administration                   |                                   |
| Leeanne Mendonca de Mello        |                                   |
| leeanne.mendonca@mq.edu.au       | Contact via Email via iLearn ONLY  |
| Part-Time Staff                  | Administration so no consultation |

| Marjan Nazifi                    |                                   |
| fatemeh.nazifi@mq.edu.au         |                                   |

| Credit points                   | 3                                  |

| Prerequisites                   |                                   |
| Corequisites                    |                                   |

| Co-badged status               |                                   |

| Unit description               |                                   |
| This unit is an introductory course in macroeconomics. It focuses on the economy as a whole; the economy seen as a set of markets related to each other, rather than on the features characterising the equilibrium in an individual market, for example, the market for shoes. Topics covered include gross domestic product (GDP), savings, unemployment, inflation, money, the balance of payments, exchange rates, fiscal policy and monetary policy. At the end of the course students should be able to apply the main model used by economists to represent the economy (aggregate supply-aggregate demand), identify the forces that determine the equilibrium level of output, employment, inflation, interest rates, the exchange rate and their movements, and be able to analyse and predict the effect of shocks to supply and/or demand. |
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:

- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
- Identify the functions of money, commercial and central banks.
- Illustrate and understand the implications of the money (credit) creation process.
- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.
- Evaluate and illustrate the economic relationships a country has with the rest of the world.

General Assessment Information

If you do not submit or sit for any assessment task on the designated date and time, you will be accorded a mark of zero for that particular piece of assessment. It is your responsibility to check the recording of your marks on Gradebook.

If there are legitimate grounds for non-submission or non-attendance, you should consult the Disruption to Studies Policy, which can be found in the Policies and Procedures section of the Unit Guide.


Note: If you are granted an extension for a task, an alternative submission date or a supplementary exam, you may be required to partake in an oral assessment task in lieu of the missed assessment. Supplementary assessment may be of a different format to the original.

Assessment Tasks

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Due</th>
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</thead>
<tbody>
<tr>
<td>TUTORIAL EXERCISES</td>
<td>25%</td>
<td>Weeks 2-6 &amp; 9-13</td>
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<tr>
<td>MID-SESSION TEST/ASSIGNMENT</td>
<td>30%</td>
<td>Week 7</td>
</tr>
<tr>
<td>FINAL EXAM - OPEN BOOK</td>
<td>45%</td>
<td>University Examination Period</td>
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</table>
TUTORIAL EXERCISES
Due: **Weeks 2-6 & 9-13**
Weighting: **25%**

In the week prior to each tutorial, a set of exercises are provided to students.

- You will submit the exercises at the end of each tutorial.
- Your tutor will mark only five of these sets of exercises.
- You will not be told beforehand which tutorials will be marked.
- Each marked tutorial submission is worth 5% of your total grade (Total = 5*5% = 25%).

On successful completion you will be able to:
- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
- Identify the functions of money, commercial and central banks.
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- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
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- Evaluate and illustrate the economic relationships a country has with the rest of the world.

MID-SESSION TEST/ASSIGNMENT
Due: **Week 7**
Weighting: **30%**

In Week 7 there will be a mid-session test/assignment.

- The assessment will cover the content addressed in weeks 1-6.
- The assessment is based on stimulus material - video/s, podcast/s or written piece/s.
- The stimulus material is provided prior to the assessment date.
- You are expected to participate in the online discussion on the relationship between the economic theory and the stimulus material. The online discussion is an essential component of the learning for this assessment.
- It is an open book assessment. Open book assessment does not make the task easier.
- More information on the nature and approach to the assessment will be provided.
On successful completion you will be able to:

- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
- Identify the functions of money, commercial and central banks.
- Illustrate and understand the implications of the money (credit) creation process.
- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.

**FINAL EXAM - OPEN BOOK**

**Due:** University Examination Period  
**Weighting:** 45%

The final examination will concentrate on the content covered in Weeks 8-13. However, the content covered in weeks 8-13 builds upon the material in weeks 1-6. Hence, the final exam can refer to earlier content.

The final exam is similar to the mid-session assessment.

- The assessment is based on stimulus material - video/s, podcast/s or written piece/s.
- The stimulus material is provided prior to the assessment date.
- You are expected to participate in the online discussion on the relationship between the economic theory and the stimulus material. The online discussion is an essential component of the learning for this assessment.
- It is an open book assessment.

On successful completion you will be able to:

- Explain the fluctuations in GDP/unemployment and inflation using economic models and apply them to particular scenarios.
- Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.
- Evaluate and illustrate the economic relationships a country has with the rest of the world.

**Delivery and Resources**

Participation in ECON110 includes attendance at lectures, participation in tutorials and involvement in the discussion forum and the online consultations. A range of supplementary

https://unitguides.mq.edu.au/unit_offerings/58006/unit_guide/print 5
material - videos, podcasts, news articles - are also used in ECON110.

LECTURES

There is a two-hour lecture every week. You must attend lectures every week. Recorded lectures are for revision purposes and emergencies ONLY. Many students plan to listen to recorded lectures, few do.

Monday 12-2 pm Lotus Theatre

Wednesday 6-8 pm Macquarie Theatre

TUTORIALS

Each student must register for a tutorial. Students must finalize their tutorial enrollment by the end of week 2. The timetable for classes for ECON110 is on the University's website - http://www.timetables.mq.edu.au/.

Tutorial changes can ONLY be made through e-student. Students wishing to change tutorial times should log onto e-student and register in a class where there is a vacancy. Address all questions of an administrative nature to the Unit Administrator, Dr Onur Ates. Contact Dr Ates by email found on the iLearn site for ECON110. Other staff members can not deal with administration issues.

There will be ten (10) one-hour tutorials in weeks 2-6 and weeks 8-13.

RECOMMENDED TEXTBOOK AND ONLINE PLATFORM


The recommended textbook is an E-TEXT with interactive features. The e-text can be purchased online at the beginning of the session. It covers the majority of the content of the unit. Information on purchasing the textbook will be provided when available.

Other introductory economic textbooks can be used in ECON110 as they typically cover similar material. Please note that textbooks can have different approaches to the presentation of the models developed in the unit. So please be aware that these differences can arise and may be the source of confusion for many students.

TECHNOLOGY AND ASSOCIATED MATERIALS

Unit Webpage (iLearn)

Course material is available on the ECON110 iLearn site. Regularly visit the website and use it as a resource centre to assist with your learning. All notifications and information that is not included in the Unit Guide will be posted on iLearn. You must check your student email more than once a week (every day is recommended).

Interactive Technology for Lectures (Socrative)

Go to the following website - http://socrative. - and create a student account. You will need to setup your account using the following room name: ECON110

This software can be used on your phone, tablet or computer. The software will allow you to answer questions in the lecture, see other student responses and allow the lecturer to provide immediate feedback.
Online Consultations

We use software that allows students and the lecturer to engage with each other online. The software provides the opportunity for engagement with your lecturer and other students from any place there is a stable internet connection.

Podcasts

We will sometimes use podcasts, particularly from Planet Money [http://www.npr.org/podcasts/510289/planet-money](http://www.npr.org/podcasts/510289/planet-money). You will need to download a podcast app that is appropriate for your device.

Videos

Videos are an integral part of the unit. These can be used to assist with the content of the lecture and illustrate the link between the theory and real situations. Some of these videos may be used in the tutorials and as stimulus material for examinations. Two common sources of videos and short films:

- [https://wetheeconomy.com/](https://wetheeconomy.com/)
- [https://www.khanacademy.org/](https://www.khanacademy.org/)

PRIZE FOR ECON110

The Westpac Macroeconomics Prize. This prize is open to all students enrolled in a Bachelor Degree. It is awarded for the best academic performance in ECON110 for 2015.

Unit Schedule

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<th>WEEK</th>
<th>TOPIC</th>
<th>Textbook</th>
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<tbody>
<tr>
<td>Week 1</td>
<td>Introduction to Macroeconomics</td>
<td>Ch.1</td>
</tr>
<tr>
<td>Week 2</td>
<td>Concept and Measurement of GDP</td>
<td>Ch.2</td>
</tr>
<tr>
<td>Week 3</td>
<td>Concepts and Measurements of Unemployment &amp; Inflation</td>
<td>Ch.3</td>
</tr>
<tr>
<td>Week 4</td>
<td>Money and Banks</td>
<td>Ch.4</td>
</tr>
<tr>
<td>Week 5</td>
<td>Business Cycles 1(A): Keynesian Model for Fluctuations in GDP</td>
<td>Ch.5</td>
</tr>
<tr>
<td>Week 6</td>
<td>Business Cycles 1(B): Keynesian Model for Fluctuations in GDP</td>
<td>Ch.5</td>
</tr>
<tr>
<td>Week 7</td>
<td>MID-SESSION TEST/ASSIGNMENT</td>
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Learning and Teaching Activities

Lectures
Lectures are an essential component of the course and attendance is mandatory.

Tutorial Participation
In the tutorial you will work as a group, but submit your answers individually. Typically the group will concentrate on any stimulus material engage in other learning activities and only then assist each other with the worksheet questions. You are encouraged to assist each other within the group, as this is a good way to learn. However, do not allow another group member to simply copy your work, as you will both be penalized and accorded a mark of zero.

Discussion Forum (Piazza)
The discussion forum - Piazza - is an essential component of ECON110. Piazza is where we engage with the issues examined in the tutorials and the assessments. Note: the Unit Convenor (who writes all the assessment) will be answering nearly all your questions and offering guidance on Piazza. You need to sign yourself up to Piazza. (It is better than the discussion on iLearn). Details are provided on iLearn. It is easy.

Online Consultation
Online consultation will be conducted most teaching weeks in ECON110. The software to participate in this forum is placed on ilearn.

Peer Assisted Learning (PAL)
Peer-Assisted Learning or 'PAL' are unit specific workshops led by trained PAL Leaders who are students who have excelled in ECON110 before. PAL will help you: Achieve better grades
Understand and revise lecture content on weekly basis. Get tips and hints from students who’ve done the unit before. Stay organised and meet new people. Understand "what to learn" and "how to learn it." If you would like more information, visit www.be.mq.edu.au/pal

**Policies and Procedures**

Macquarie University policies and procedures are accessible from Policy Central. Students should be aware of the following policies in particular with regard to Learning and Teaching:


In addition, a number of other policies can be found in the Learning and Teaching Category of Policy Central.

**Student Code of Conduct**

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student_conduct/](https://students.mq.edu.au/support/student_conduct/)

**Results**

Results shown in iLearn, 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](http://ask.mq.edu.au).

**Student Support**

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

**Learning Skills**

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- **Workshops**
Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
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Assessment tasks

- TUTORIAL EXERCISES
- MID-SESSION TEST/ASSIGNMENT
- FINAL EXAM - OPEN BOOK

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Conceptualize and understand the fundamental measurement issues of economic variables, such as GDP, inflation, and unemployment.
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Assessment tasks

- TUTORIAL EXERCISES
- MID-SESSION TEST/ASSIGNMENT
- FINAL EXAM - OPEN BOOK

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:
Learning outcomes

• Identify the functions of money, commercial and central banks.
• Evaluate and illustrate the policy instruments available to governments and central banks to manage the economy.
• Evaluate and illustrate the economic relationships a country has with the rest of the world.

Assessment tasks

• TUTORIAL EXERCISES
• MID-SESSION TEST/ASSIGNMENT
• FINAL EXAM - OPEN BOOK

Changes from Previous Offering

The textbook is different from the textbook used in 2015.

This session the textbook is an E-TEXT version of Stiglitz et al. (2016). Also, note that this textbook is different to the hardcopy version of the Stiglitz textbook. I would not recommend purchasing the hardcopy textbook as substantial changes have been made.

Changes since First Published

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<tr>
<th>Date</th>
<th>Description</th>
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<tbody>
<tr>
<td>02/03/2016</td>
<td>The inclusion of the details of the ECON110 administrator who was hired after the Unit Guide was published.</td>
</tr>
<tr>
<td>10/02/2016</td>
<td>A number of changes have been made to the Unit Guide since its initial publication at end of 2015, so please read carefully.</td>
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