



# ECON761

## Advanced Topics in Macroeconomics

S2 Day 2018

*Dept of Economics*

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## General Information

Unit convenor and teaching staff

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E4A 428

TBA

Credit points

4

Prerequisites

Admission to MRes

Corequisites

Co-badged status

Unit description

This unit presents macroeconomic models based firmly on microeconomic foundations. Specifically, macroeconomic models are developed based on the optimising behaviour of private agents and of the government in an open economy framework. There are two important advantages of this approach. Firstly, macroeconomic issues can be discussed in a way that is fully consistent with microeconomic behaviour. Secondly, because this approach is based on solid microeconomic theory, it can be used to evaluate the welfare consequences of government policy. The empirical regularities that have been found in macroeconomic data will also be discussed and be used to evaluate the theory we develop in macroeconomics.

## 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:

Understand and contribute to economic policy debates related to growth and business cycles.

Analyse theoretical problems in growth and business cycle models.

Critically interpret theoretical and empirical studies of growth and short-run fluctuations.

Develop an ability to identify research opportunities in macroeconomics.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Class test</u>	30%	No	Week 7
<u>Assignment</u>	25%	No	Week 10
<u>Final exam</u>	45%	No	Formal examination period

### Class test

Due: **Week 7**

Weighting: **30%**

The class test is 1.5 hours plus 10 min reading time.

Students who miss the class test and are granted special consideration will have to sit a supplementary test.

On successful completion you will be able to:

- Understand and contribute to economic policy debates related to growth and business cycles.
- Analyse theoretical problems in growth and business cycle models.

### Assignment

Due: **Week 10**

Weighting: **25%**

Description

This assignment is based on a referee report or literature review, where students will have to demonstrate understanding and depth of readings relating theory to empirics and policy issues. Details will be provided on ilearn.

Submission

The hard copy of the assignment has to be handed in class in week 10 and the soft copy should be submitted to turnitin by 6 pm October 15.

Penalties

There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand and contribute to economic policy debates related to growth and business cycles.
- Critically interpret theoretical and empirical studies of growth and short-run fluctuations.
- Develop an ability to identify research opportunities in macroeconomics.

## Final exam

Due: **Formal examination period**

Weighting: **45%**

Two (2) hours plus 10 min reading time. To be held in the University Examination Period for Session 2, 2018.

There will be a supplementary final exam for students with special consideration granted.

On successful completion you will be able to:

- Understand and contribute to economic policy debates related to growth and business cycles.
- Analyse theoretical problems in growth and business cycle models.

## Delivery and Resources

### Classes

Lectures and tutorials are scheduled in the same day. The tutorials will complement lectures by providing opportunities to develop in detail some of the concepts and techniques. Students are expected to come prepared to lectures and tutorials.

The timetable for classes for ECON761 is on the University web site at:

[http://students.mq.edu.au/student\\_admin/timetables](http://students.mq.edu.au/student_admin/timetables)

### Required and Recommended Texts and/or Materials

The textbook is:

B. Sorensen and H.J. Whitta-Jacobsen – *Introducing Advanced Macroeconomics* (2010 – second edition), McGraw Hill (referred to as SWJ).

The required text can be purchased from the Macquarie University Co-op Bookshop. They are also available at the Macquarie Library.

Lecture slides, tutorial questions and answers will be available on ilearn.

## Unit Schedule

### Topic 1

Exogenous growth: the Solow model and extensions

### Topic 2

Endogenous growth

### Topic 3

R&D based growth models

### Topic 4

Unemployment

### Topic 5

Facts about business cycles. Investment and asset prices

### Topic 6

Consumption and aggregate demand

### Topic 7

The AS-AD model

### Topic 8

Stabilisation policy

### Topic 9

Limits to stabilization policy: Credibility and Uncertainty

### Topic 10

The AS-AD model in the open economy

## Learning and Teaching Activities

### Independent and responsible learning

Teaching and Learning Activities The teaching strategy in ECON761 recognises that students learn independently and assume responsibility for the learning process and with academic integrity.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). 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](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/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/>

## 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](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](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.

## Graduate Capabilities

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

#### Learning outcomes

- Understand and contribute to economic policy debates related to growth and business cycles.
- Analyse theoretical problems in growth and business cycle models.
- Critically interpret theoretical and empirical studies of growth and short-run fluctuations.
- Develop an ability to identify research opportunities in macroeconomics.

#### Assessment tasks

- Class test
- Assignment
- Final exam

### PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

## **Learning outcomes**

- Understand and contribute to economic policy debates related to growth and business cycles.
- Analyse theoretical problems in growth and business cycle models.
- Critically interpret theoretical and empirical studies of growth and short-run fluctuations.

## **Assessment tasks**

- Class test
- Assignment
- Final exam

## **PG - Research and Problem Solving Capability**

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

## **Learning outcomes**

- Understand and contribute to economic policy debates related to growth and business cycles.
- Analyse theoretical problems in growth and business cycle models.
- Critically interpret theoretical and empirical studies of growth and short-run fluctuations.
- Develop an ability to identify research opportunities in macroeconomics.

## **Assessment task**

- Assignment