



ECON991

Economics for Actuaries

S2 Day 2019

Dept of Economics

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General Information

Unit convenor and teaching staff

Unit Convenor

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Credit points

4

Prerequisites

Admission to MActPrac

Corequisites

Co-badged status

Unit description

The aim of this unit is to provide a postgraduate-level foundation in modern economic analysis, with applications to decision making in business, for postgraduate actuarial students. The unit provides students with the knowledge and tools to use microeconomic and macroeconomic theory and concepts in analysing business decision making and an understanding of the broader social, economic and regulatory environment in which businesses operate.

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:

Critically appraise key economic concepts, models and theories of microeconomics and macroeconomics.

Apply a range of techniques including calculations and manipulation of diagrammatic representations to solve problems related to economic concepts and models.

Evaluate the role of the government and the central bank and the instruments available to them to manage the economy.

Recognise and relate the relevance of economic theory to the wider business environment and describe the link between these theories to the practical application of individual businesses.

Apply key microeconomic and macroeconomic theory and suggest solutions to real business problems.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Assignment</u>	20%	No	Week 11
<u>Mid-Session Test</u>	20%	No	Week 9
<u>Final exam</u>	60%	No	University Examination Period

Assignment

Due: **Week 11**

Weighting: **20%**

This assignment will be a selection of problems requiring the application of the theory and knowledge of the examples considered in the lectures and readings throughout the semester.

On successful completion you will be able to:

- Critically appraise key economic concepts, models and theories of microeconomics and macroeconomics.
- Apply a range of techniques including calculations and manipulation of diagrammatic representations to solve problems related to economic concepts and models.
- Evaluate the role of the government and the central bank and the instruments available to them to manage the economy.
- Recognise and relate the relevance of economic theory to the wider business environment and describe the link between these theories to the practical application of individual businesses.
- Apply key microeconomic and macroeconomic theory and suggest solutions to real business problems.

Mid-Session Test

Due: **Week 9**

Weighting: **20%**

This test covers the models and techniques given in the seven to eight weeks of ECON991. It

also prepares students for the format and difficulty of the final exam.

On successful completion you will be able to:

- Critically appraise key economic concepts, models and theories of microeconomics and macroeconomics.
- Apply a range of techniques including calculations and manipulation of diagrammatic representations to solve problems related to economic concepts and models.
- Evaluate the role of the government and the central bank and the instruments available to them to manage the economy.

Final exam

Due: **University Examination Period**

Weighting: **60%**

The final examination for this unit will be held during the Macquarie University final examination period.

- The exam will be 3-hours + 10 minutes reading time.
- All topics studied during the semester are examinable. More detail about the structure will be provided about the exam towards the end of the session.
- Failure to sit the final exam at the designated day and time will result in a mark of zero being awarded.
- There is a Special Consideration Policy which establishes the principles that support students seeking to notify the University when they experience short-term, unexpected, serious and unavoidable circumstances, which affect their performance in assessment. To access further information see the Policies and Procedures section of this Unit Guide.
- If your application for Special Consideration is accepted, you will be granted a Supplementary Exam, which will be held during the Supplementary Exam period.

On successful completion you will be able to:

- Critically appraise key economic concepts, models and theories of microeconomics and macroeconomics.
- Apply a range of techniques including calculations and manipulation of diagrammatic representations to solve problems related to economic concepts and models.
- Evaluate the role of the government and the central bank and the instruments available

to them to manage the economy.

- Recognise and relate the relevance of economic theory to the wider business environment and describe the link between these theories to the practical application of individual businesses.
- Apply key microeconomic and macroeconomic theory and suggest solutions to real business problems.

Delivery and Resources

Classes

- Each student must attend the 3 hours of contact per week. The 3 hours primarily consist of lectures. Some time may be devoted to discussion of particular applications particularly in regards to important world economy events.

Textbook

The textbook for this course, Economics eBook, 10th Edition by Sloman, Garratt & Guest can be found at the following: <https://pearson.com.au/9781292187907>

Unit Web Page

- Course material is available at <https://ilearn.mq.edu.au/login/MQ/>

Unit Schedule

There are 21 units. One or two units will be covered each week except for week nine which will be devoted to the mid-session test. The units are taken from Institute and Faculty of Actuaries Subject CB2 core principles. The list below gives the titles of each of the units and the *required* readings from *Economics*, 10th Edition by Sloman, Garratt & Guest .

Unit 1: Economic Concepts -- Chapter 1, sections 1.1 and 1.2

Unit 2: Competitive Markets -- Chapter 2, Chapter 3, sections 3.1 and 3.2

Unit 3: Consumer Demand -- Chapter 4, excluding Boxes 4.4 and 4.5, Chapter 5

Unit 4: Advertising -- Chapter 2 Box 2.4

Unit 5: Production Costs, Revenue and Profit -- Chapter 6

Unit 6: Perfect Competition and Monopoly -- Chapter 7

Unit 7: Imperfect Competition -- Chapter 8, sections 8.1 - 8.3

Unit 8: Pricing Strategies -- Chapter 9 section 9.6, Chapter 7 sub-section 'limit pricing' and Chapter 8 section 8.4

Unit 9: Government Intervention -- Chapter 12, excluding section 12.4

Unit 10: Government and the Firm -- Chapter 14, section 14.1

Unit 11: Globalisation and Multinational Business

Unit 12: International Trade -- Chapter 24, sections 24.1 and 24.2

Unit 13: The Macroeconomic Environment -- Chapter 15 excluding 15.7, Chapter 17 sections 17.1, 17.2 and 17.4 and Chapter 20 sections 20.1, 20.2 and 20.4

Unit 14: Balance of Payments and Exchange Rates -- Chapter 15 section 15.7, Chapter 25 and Chapter 26 sections 26.1 and 26.2

Unit 15: Money and Interest Rates -- Chapter 18, Chapter 19 sections 1.1 - 1.3

Unit 16: The Financial System -- Chapter 18 section 18.2

Unit 17: Business Activity, Unemployment and Inflation -- Chapter 15 section 15.3, Chapter 17, Chapter 19 section 19.1 and Chapter 21 sections 21.1 and 21.2

Unit 18: Macroeconomic Policy -- Chapter 22 sections 22.1 - 22.4

Unit 19: Supply Side Policy -- Chapter 23 sections 23.4 - 23.6

Unit 20: Alternative Economic Models -- Chapter 16 and Chapter 12 box 12.7

Unit 21: Macroeconomic History -- Chapter 16 and Chapter 26 box 26.5

More information about the specifics of the units and the associated readings will be provided on the unit website and during lectures. Some additional readings will also be provided for some units.

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 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

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) 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

If you are a Global MBA student contact globalmba.support@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/.

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

- Critically appraise key economic concepts, models and theories of microeconomics and macroeconomics.
- Apply a range of techniques including calculations and manipulation of diagrammatic representations to solve problems related to economic concepts and models.
- Evaluate the role of the government and the central bank and the instruments available to them to manage the economy.
- Recognise and relate the relevance of economic theory to the wider business environment and describe the link between these theories to the practical application of individual businesses.
- Apply key microeconomic and macroeconomic theory and suggest solutions to real business problems.

Assessment tasks

- Assignment
- Mid-Session Test
- 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

- Critically appraise key economic concepts, models and theories of microeconomics and macroeconomics.
- Apply a range of techniques including calculations and manipulation of diagrammatic representations to solve problems related to economic concepts and models.
- Evaluate the role of the government and the central bank and the instruments available to them to manage the economy.
- Recognise and relate the relevance of economic theory to the wider business environment and describe the link between these theories to the practical application of individual businesses.
- Apply key microeconomic and macroeconomic theory and suggest solutions to real business problems.

Assessment tasks

- Assignment
- Mid-Session Test
- 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

- Apply a range of techniques including calculations and manipulation of diagrammatic representations to solve problems related to economic concepts and models.
- Apply key microeconomic and macroeconomic theory and suggest solutions to real business problems.

Assessment tasks

- Assignment
- Mid-Session Test

PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different

social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

Assessment task

- Assignment