MACQUARIE UNIVERSITY  
FACULTY OF BUSINESS AND ECONOMICS  
UNIT GUIDE

Year and semester:  **Semester 1, 2012**

Unit convenor:  **Marc Lombard**

Credit points:  **4**

Students in this unit should read this outline carefully at the start of the semester. It contains important information about the unit. If anything is unclear, please consult the unit convenor.

### ABOUT THIS UNIT

This unit is a qualifying unit for entry into the Master of Economics and Master of Commerce (Economics) program. Whilst the unit requires no previous knowledge of economics, it is an intensive, accelerated course, whose aims is to bring the students to an intermediate level of macroeconomics. It intends to provide students with a good general understanding of the main areas of macroeconomics; economic growth, inflation, unemployment, fiscal and monetary policies, taxation, national accounts and international comparisons, exchange rates, balance of payments, international monetary systems, and schools of thought.

### TEACHING STAFF AND CONTACT DETAILS

**Marc Lombard**, Convenor  
Room:  E4A-436,  
Telephone:  9850 8501,  
Email:  marc.lombard@mq.edu.au

### CONSULTATION TIMES

Consultation times will be announced at the beginning of the course.

You are encouraged to seek help during regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Consultations will not be conducted by email. You may, however, phone me (Marc Lombard) during consultation hours.

Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.
CLASSES

There will be one three-hour session each week, on **Tuesdays, 3-6 pm**, in Room C5A-232

The timetable for classes can be found on the University web site at: http://www.timetables.mq.edu.au/

It is a requirement of this unit that **students attend all classes**.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

**IMPORTANT NOTE:** The following references are only a complement to lecture notes: they are **NOT** a substitute.

**Recommended:**

This text can be purchased from the Macquarie University Co-op Bookshop.

**Other Useful References** (in alphabetical order):

All these books are available in the library:

**Useful websites**
- International Monetary Fund, IMF: [www.imf.org](http://www.imf.org)
- OECD: [www.oecd.org](http://www.oecd.org)

**UNIT WEB PAGE**

- Course material is available on the learning management system (iLearn)
- The web page for this unit can be found at [http://ilearn.mq.edu.au/](http://ilearn.mq.edu.au/)
LEARNING OUTCOMES

At the completion of this unit, students should be able to:
1. be conversant with major macroeconomic theories;
2. apply and critically evaluate some of the basic macroeconomic models and theory in order to analyse real economic problems;
3. understand and appreciate current major macroeconomic issues;
4. critically analyse, compare and examine the motives behind economic policies.

GRADUATE CAPABILITIES

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this by developing the following graduate capabilities:
1. Discipline Specific Knowledge and Skills
2. Critical, Analytical and Integrative Thinking
3. Problem Solving and Research Capability
4. Capable of Professional and Personal Judgement and Initiative

TEACHING AND LEARNING STRATEGY

The weekly three-hour session will comprise a two-hour lecture and an hour-class practice. The lectures will provide students with an overview of macroeconomics both in theory and practice and a good understanding of major and current economic issues.

The class practice tests will ask students to answer unseen questions from the previous week’s lecture and reading material. The solutions to these questions will be provided and discussed in class. The objective of this strategy is to provide each student with immediate feedback on their answers with the expectation that this will assist and deepen their understanding of various aspects of macroeconomics.

Students are expected to read in advance the lecture notes provided online, as well as the required readings, and to participate in class discussions.
LECTURE TOPICS
NOTES:
1) The numbering of topics below is not related to the number of lecture weeks.
   Some topics are shorter/longer than others.
2) The following reference is only a complement to lecture notes: it is NOT a substitute. In addition, a number of prescribed, up-to-date journal articles will be announced during lecture time

Topic 1: MACROECONOMIC MEASUREMENT AND PERFORMANCE
   Major Macroeconomic Objectives
   National Accounts
   Economic Growth
   International comparisons
   Ref: Blanchard & Sheen, chapters 2, 10

Topic 2: THE GOODS MARKET
   The Composition of GDP
   Income and Expenditure Analysis
   Investment and Saving
   Economic Fluctuations
   Ref: Blanchard & Sheen, chapter 3

Topic 3: THE LABOUR MARKET
   The Labour Force
   Wage Determination
   Unemployment
   Causes of Unemployment: Classical, Keynesian
   Ref: Blanchard & Sheen, chapters 6, 8, 13

Topic 4: INFLATION
   Effects of Inflation
   Causes of Inflation
   Deflationary Policies
   Relationship Inflation-Unemployment
   Ref: Blanchard & Sheen, chapter 26

Topic 5: MONETARY SECTOR & MONETARY POLICY
   Money Supply & Money Demand
   Interest Rates
   The Role of the Reserve Bank
   Financial market crises
   Ref: Blanchard & Sheen, chapters 4, 22, 26

Topic 6: GOODS AND FINANCIAL MARKETS: IS-LM and AS-AD MODELS
   The IS-LM Model
   Policy Mix
   Aggregate Supply and Aggregate Demand
   Equilibrium in the short run and in the long run
   Ref: Blanchard & Sheen, chapters 5, 7
RESEARCH AND PRACTICE

- This unit uses research by Macquarie University researcher e.g.:
    *(presented at the Conference of Economists, Sydney, Sept. 2010 )*

- This unit uses research from external sources (see above references)
- This unit gives you practice in applying research findings in your assignments
- This unit gives you opportunities to conduct your own research
# RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

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<th>Assessment Task 1</th>
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There is no final examination for this unit. It is essential that students **attend all classes**, as the tests will focus on material discussed in the lectures and supplemented with the relevant readings.

**Class Tests**
The structure and examinable content will be provided to students in due course. It is important to note that absence from class tests will result in a mark of zero, unless a student's absence is supported by acceptable documented evidence.

**Assignment**
The submission date will be announced in class and online. Late submission will not be accepted without prior permission.

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**ACADEMIC HONESTY**

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at [http://www.mq.edu.au/policy/docs/academic_honesty/policy.html](http://www.mq.edu.au/policy/docs/academic_honesty/policy.html)

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**GRADES**

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at: [http://www.mq.edu.au/policy/docs/grading/policy.html](http://www.mq.edu.au/policy/docs/grading/policy.html)

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**GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING**

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final test script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade. [http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals](http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals)
SPECIAL CONSIDERATION

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special consideration/procedure.html

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at http://www.student.mq.edu.au.

IT CONDITIONS OF USE

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when utilising University IT facilities. The following regulations apply to the use of computing facilities and online services:

- Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved unit is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.