

# MACQUARIE UNIVERSITY



Division of Economic and Financial Studies

## **ECON110 MACROECONOMIC PRINCIPLES**

**<http://online.mq.edu.au/pub/ECON110/>**

## **UNIT OUTLINE**

**2006**

# **ECON110 MACROECONOMIC PRINCIPLES**

“Let us begin,  
what where why or when,  
will all be explained  
like instructions to a game...”

“My Philosophy” - Boogie Down Productions

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## QUICK REFERENCE: USEFUL SOURCES OF INFORMATION

- For **administrative matters**, contact Alex Blair (Tutor-in-charge), Ph: 9850-7897; E4A 418.
- The **unit web site** at

<http://online.mq.edu.au/pub/ECON110/>

You will find most, if not all, of the information about the course at this site, including contact details and consultation hours of full time teaching staff. All the information in this handout is provided in the public part of the web site. All students enrolled in the course will be provided with a User-name and Password, which enables access to the password-protected part of the web site that contains all online material such as lecture slides, exercise solutions, general unit announcements, and access to quizzes. If you have any comments/questions on the web site, post them in the appropriate directory of the website bulletin board. If this is not possible, then email Alex Blair (Tutor-in-Charge) at:

[ablair@efs.mq.edu.au](mailto:ablair@efs.mq.edu.au).

### 1. AIMS AND NATURE OF THE COURSE

Welcome to the 2006 offering of ECON110 *Macroeconomic Principles*.

ECON110 *Macroeconomic Principles* is the first of the two introductory courses in Economics at Macquarie University. It is first semester course that deals with 'macroeconomics', that is, with the study of the economy *as a whole* or *as an aggregated entity*. It thus focuses on topics such as aggregate income, unemployment, inflation, the balance of payments, exchange rates, money, and macroeconomic policy. By contrast, the second semester course, ECON111 *Microeconomic Principles*, is primarily concerned with 'microeconomics' – the analysis of *individual* units in the economy and the theory of consumers, firms and industries.

The topics included in ECON110 are:

1. Problems and Methods of Economics
2. Basic Economic Concepts
3. The Circular Flow and National Income Accounts
4. The Goods Market (Income-Expenditure Model)
5. Investment Theory
6. The Money Market
7. The Financial Sector
8. Interactions between the Goods and Money Markets
9. Unemployment
10. Inflation
11. Monetary Policy
12. Fiscal Policy
13. The External Sector

At the end of this course, it is unlikely that you will be able to solve the major problems of economics. However, an economics education should enable you to appreciate economic problems more clearly, to recognize which factors are critical and which arguments are dubious, and to begin to be able to evaluate conflicting claims about the economy. Economics is far more than a body of facts to be remembered, or the merely mechanical application of theoretical models. It was described by John Maynard Keynes (with whose ideas you will become more familiar) in this way:

'The theory of economics is *a method* rather than a doctrine, an apparatus of the mind, a technique of thinking which *helps* its possessor draw correct conclusions' (emphasis added).

## TEN STEPS TO SUCCESS IN ECON110

1. Read the relevant sections of the textbook before the lecture (see Section 12 below on Texts).
2. Summarise the lecture material after the lecture. Supplement with material from the textbook.
3. Attempt the exercises and use the web site to check your answers.
4. Do the computer quizzes each week. Get some quick feedback on how you are going!
5. Use the web site to access the Bulletin Board to ask questions, or to see the questions/answers of other students!
6. Take your copy of submitted assignments along to your tutorial to compare it with your tutor's answers.
7. Be prepared to ask questions/answer questions/express an opinion.
8. Don't let problems build up – seek help often and early.
9. Revise past exam papers and have questions ready for the final tutorial.
10. Last but not least, be especially nice to your lecturers and tutors.

## 2. UNIT WEB SITE (ONLINE MATERIAL)

The Unit web site plays an important role in communicating with students in ECON110. You will need to visit the site on a regular basis, either by computers on campus or from your own computer at home (see Access to the Internet below). **A significant part of your assessment requires you to use the ECON110 website regularly. ALL IMPORTANT COURSE DOCUMENTS WILL BE DISTRIBUTED VIA THE WEBSITE.**

The Unit web site has two sections. The first section contains publicly available material and provides basic course information such as that contained in this handout. **The second section is password-protected and is available only to students currently enrolled in ECON110.** It provides access to online course material such as lecture slides, exercise solutions, assignments, quizzes and course announcements. You login to this material via the Welcome Page of the Unit web site.

To login you need a Username and password. Your username for myMQ is your Student ID Number. The letter you received will also have informed you of your initial password. Your initial password consists of two random characters followed by your date of birth. (For example, if Lisa was born on 31 March 1984, and her random characters were %k, her password would be %k310384.)

For security reasons we suggest you change your password when you first login. If you forget your password or your account has been disabled, it can be reset by the Library Information Technology Customer Support Desk (ITCSD) or the Office of Computing Services (OCS) Helpdesk. If you have not received the letter, contact either the Library ITCSD or the OCS Helpdesk.

### Access to the Internet

You can access the ECON110 web site from anywhere on the Internet. Access to the Internet is available on-campus, off-campus through an internet service provider (ISP), some local libraries, or Internet cafes anywhere in the world.

#### On-Campus Access

The Internet can be accessed from several places:

1. The Library, levels 1, 2, 3 and 4. Some computers can be booked, and printing facilities are available. Further information is available from **the Library's IT help section on Level 1**.
2. The Office of Computing Services (OCS) has several student laboratories. Contact the OCS Operations/Helpdesk for further information. Details of their locations, opening hours and printing facilities are at <http://laurel.ocs.mq.edu.au/~helpdesk/Docs/labs.html>.
3. DEFS Student Laboratories are in E4A & E4B. You must check the timetable on the Lab doors for availability before entering, as other courses may have priority in these rooms and at certain times they will be booked for tutorials. Opening hours **during** the semester (but **not** during the mid-semester break) are Monday- Friday 8am - 10pm and Saturday, Sunday 9am - 5pm. During the mid-semester break, Labs will be open for limited times as advertised at the web site <http://www.efs.mq.edu.au/itsu/labs/>.

### Off-Campus Access

Information on Macquarie University Remote Access Services for Students can be obtained from the ITCSD, or at <http://www.lib.mq.edu.au/support/ithelp/Ozemail.html>. The University has an arrangement with OzEmail that gives Macquarie students a reduced rate and special access to Macquarie's internal network. Although OzEmail is the university's preferred Internet Service Provider (ISP), there is no obligation for students to use OzEmail as their ISP. You can access your unit from anywhere on the Internet. If you have your own ISP and can get to sites on the Internet, you shouldn't have any difficulty accessing the Unit's online materials.

### **Using the Web Site**

To use the ECON110 web site, you need to:

- (a) know how to use a web browser such as Netscape Navigator or Internet Explorer,
- (b) become familiar with the content of the online material and how to navigate (move around) this material;
- (c) understand the function of the various tools available to you.

### Browser

If you are not already familiar with web browsers, you can get assistance through the Library's Information Technology Customer Support Desk and Information Technology Training Unit.

It is important that you know how to

- (a) identify and follow links
- (b) scroll windows up and down
- (c) use frames
- (d) change between windows, and open and close pop-up windows.

**When you have finished using the materials you must exit by closing your browser. If you don't, other people can continue to use your account, which means they can use your mail, bulletins and other password-protected material.**

### Navigation

Once you have reached the website all you need to do is follow the text and image links. Some of the material might be organised in a path. A path will have a navigation box with six buttons.

They have the following functions

1. **Home:** This takes you back to the place from which the path was entered.
2. **Contents:** This takes you to a contents page for the path.
3. **Retrace:** This takes you back to where you were last in the path. Its a bit like your browser's 'Back' button, but only works within the path.

4. **Refresh:** If you have used something like a glossary and the path content page has disappeared, you can get it back by clicking on `Refresh`.
5. **Pg back:** This takes you to the previous page in the path. Note that this is not the same as your browser's `Back` button.
6. **Pg fwd:** This takes you to the next page in the path. Note that this is not the same as your browser's `Forward` button.

### 3. LECTURES

There are three one-hour lectures per week, which you are expected to attend. Each lecture is given two times during the day, and once in the evening. (**Note:** You only attend one lecture per day and a total of *three* lectures per week, not three per day and twelve per week!). Lectures are organised into three streams, each of which covers the same content, although the lecturers will differ. All lectures will be held in the MACQUARIE THEATRE. The streams are arranged as below:

#### Day Lectures:

Stream 1:	Wednesday 1-2 pm ; Thursday 12-2 pm.	Macquarie Theatre
Stream 2:	Wednesday 2-4 pm ; Thursday 2-3 pm .	Macquarie Theatre
Stream 3:	Wednesday 6-8 pm ; Thursday 6-7 pm .	X5B T1

You should attend only one stream, that in which you have been enrolled. For example, if you are enrolled in Stream 2, you should attend on Wednesday between 2 and 4PM, and on Thursday at 2PM. If for some reason you have enrolled "across streams", then you will find that the lectures are delivered by different lecturers and may lack continuity. In this case you should notify the Tutor-in-Charge, Alex Blair, **in person**, in Room E4A 418. The consultation hours in which you can do this will be posted on the Unit website (in the Announcements from Teaching Staff directory). **Enquiries by phone or email on this issue cannot be processed, so you must see Alex in person in his consultation hours.**

**NOTE: TO ENSURE THAT EVERYONE GETS A SEAT, YOU MUST ATTEND THE LECTURE STREAM FOR WHICH YOU WERE ENROLLED. YOU ARE NOT ALLOWED TO SWITCH BETWEEN DAY LECTURES. FOR FIRE SAFETY REASONS, STUDENTS ARE NOT PERMITTED TO SIT ON THE STEPS OR IN THE AISLES OF THE THEATRE DURING LECTURES. THIS REQUIREMENT WILL BE STRICTLY ENFORCED, AND STUDENTS WILL BE EJECTED AND PENALISED WHEN FOUND ATTENDING LECTURES FOR WHICH THEY ARE NOT ENROLLED.**

There are four lecturers in ECON110:

- Dr Wylie Bradford (Lecturer-in-charge)                      Weeks 1-13; (Stream 1)  
(Room E4A 425, phone 9850 8467)
- Mr Trevor Whitehead    Weeks 1-7; (Stream 2)  
(Room E4A 442, phone 9850 8499)
- Professor Rod O'Donnell    Weeks 8-13; (Stream 2)  
(Room E4A 435 , phone 9850 8493)

- Mr Alex Blair  
(Room E4A 418, phone 9850 7897)

Weeks 1-13 (Stream 3)

**Audio Recording of Lectures:**

All lectures in Stream 1 of ECON110 will be digitally recorded through the University's iLecture system. Links to MP3 streams of the recordings will appear on the unit website.

#### 4. ASSESSMENT

Assessment in the course will be as follows:	%
(a) One within-semester Multiple Choice Test	10
(b) One within-semester Long Answer Test	10
(c) One Assignment	5
(d) Tutorial presentation	5
(e) Computer Quizzes	5
(f) Final Exam	65
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	100

- (i) The **MULTIPLE CHOICE TEST AND LONG ANSWER TEST** will be conducted at your normal lecture time on Thursday in Weeks 7 (Multiple Choice) and 11 (Long Answer). Each test will be of approximately 45 minutes duration, and attendance is **COMPULSORY**. If you fail to attend these tests you will be awarded a zero mark. There will be no catch-up or supplementary tests.

Students who experience serious misadventure and are unable to attend a test should submit an Advice of Absence form to the Student Centre. Each test is worth 10%, but **they are far more valuable in terms of the practice they provide for the Final Exam**. Students should make every effort to attend these tests unless medically unfit. A low mark for the test will be compensated for by the experience you will receive as preparation for the Final Exam.

The Long Answer Test will require essay-type answers involving diagrams and explanations. As noted above this will provide you with practice for the Final Exam, which is largely essay-based. The Multiple Choice Test consists of 16 questions which will be machine-marked. Incorrect answers receive a zero mark; there is no negative marking. This test also is intended as essential practice for the Final Exam.

- (ii) Marks for the **COMPUTER QUIZZES** will be awarded based on the number of quizzes attempted and the mark achieved (for details see the Computer Quiz section below). Note that you must abide by the rules governing the quizzes; in particular, you must complete at least one passing quiz attempt before the deadline expires for that Quiz. This will be sufficient to give you access to subsequent quizzes; **if you miss the deadline, you will be excluded from later quizzes and you will receive only the mark you have already accumulated**. The deadlines cannot be altered. Given this, **we strongly recommend** that you make at least one passing quiz attempt **as soon as the quiz becomes available**, even at the risk of a relatively low score. Remember that only the highest quiz score will be counted, so you can always return later to make more attempts when your understanding of the Module is better.
- (iii) Students will be required to make one **TUTORIAL PRESENTATION** during the semester. You will be asked, without prior notice, to present an answer to one of the tutorial questions. You should be fully prepared for every tutorial, in order to be ready to present your answer when the tutor requires you to do so. Further information will be given in your first tutorial. Students who are absent from the tutorial when their name is called, will be given a mark of zero. You will only be allowed to give a presentation in your own tutorial class. Students



attending a tutorial class to which they have not been allocated, should know that they run the risk of receiving a zero mark for this component.

- (iv) Students are required to submit one **ASSIGNMENT**, to be placed in the designated box in ERIC, before 7:00PM on Wednesday May 3<sup>rd</sup>. No late Assignments will be accepted for any reason. You should commence the Assignment sufficiently early such that illness or other misadventure will not cause a failure to submit. The Assignment comprises both a Multiple Choice and a Long Answer section, and again will provide excellent experience for the Final Examination.
- (v) The **FINAL EXAMINATION** (3 hours) will consist of two components:
  - (i) Multiple choice questions (approximately 30%)
  - (ii) Long answers (approximately 70%).

To pass ECON110, students must satisfy **two separate requirements**:

- (1) Accumulate sufficient marks from all assessment tasks and exams to justify a passing grade; **AND**
- (2) **Pass the final exam.**

**IT IS ECONOMICS DEPARTMENT POLICY THAT FAILURE IN THE FINAL EXAM MEANS AUTOMATIC COURSE FAILURE NOTWITHSTANDING ANY OTHER CIRCUMSTANCES.**

## 5. TUTORIALS

Each student is expected to attend (10) tutorials in ECON110. Tutorials will begin in Week 3 and then be held in each week for the rest of the semester. Tutorials will be structured around tutorial problems and the assignments described below, and will offer opportunities for discussion and asking questions. The tutorial arrangements and topics covered in these tutorials are indicated on the **Unit Calendar** on the last page of this handout.

At least once during the semester, you will be required to make a short presentation during a tutorial class. This presentation will involve you providing a thorough answer to a section of that week's tutorial exercise chosen by your tutor. **YOU WILL BE CALLED ON TO MAKE THIS PRESENTATION AT RANDOM.** The presentation component of tutorials will count for **5%** of your final mark. Your tutor will provide more details regarding this procedure in your first class. **Presentations will begin in Week 4 (Tutorial 2).**

Tutorial lists (giving your tutorial time, tutorial number, and location) will be put in the password-protected section of the Unit Web site and on the notice board outside ERIC E4B 106 (see Section 10) at the beginning of Week 3.

**IT IS ESSENTIAL THAT YOU KNOW YOUR TUTORIAL NUMBER, THE NAME OF YOUR TUTOR, AND THE TIME OF YOUR TUTORIAL.**

Tutors should tell you their name in the first tutorial, but if they forget, or if you miss the first tutorial, then it is **your** job to ask them.

The reason why it is essential to know these things is that **you are required to put your tutorial number, tutor's name and tutorial time on all tests and work that you hand in.** This is vital to the administration of this very large course. It is essential in preventing your work from being lost, and in getting it back to you after it has been marked. **If you don't put this information on work handed in, you may never see it again or have your mark recorded.** So don't forget – **find out the name of your tutor, tutorial number and time, and remember them.**

Tutors are always very happy to help you with any problems you may be having. Make sure you ask questions during the tutorial time – that is what it is for. You will be surprised how many other people in the room had the same question in mind and just weren't brave enough to ask!! If it is something that can't be solved during the tutorial hour, go and see your tutor during his/her consultation times. You can also put the question on the online Bulletin Board and a tutor will answer your question. It is

good to get problems sorted out as they occur, rather than wait until the last minute when it may be too late.

**CHANGE OF TUTORIAL TIME:** If you want to change your tutorial time, do so at the on-line change of program sessions in **Weeks 1 and 2** in E7B146 (see blue Change of Program (COP) form for COP session times). Changing your tutorial time in the first two weeks is easy and instant. You do not need to complete a form or get a signature – go directly to the computer people in E7B-146 and they can make the change for you as long as there is space in the tutorial to which you want to change.

Tutorial time changes **after Week 2** will only be approved under exceptional circumstances. Go to see Alex Blair **in person** in E4A 418. You will need a substantial reason, with all available evidence, for your need to change (e.g. a letter from your employer stating changed work hours). It is your responsibility to contact Alex Blair (9850-7897) to check if the change has been accepted. The hours at which you will be able to do this will be posted in the Announcements from Teaching Staff directory of the Bulletin Board on the website during Week 2.

## 6. ASSIGNMENT

There will be one assignment. The assignment will consist of combinations of multiple choice questions, exercises and long-answer type questions (of examination standard). The assignment will be made available to you via the website prior to the due date.

The completed assignment must be submitted to the designated boxes in the Economic Reference Room (E4B 106) **NO LATER** than **7:00 PM** on the **WEDNESDAY in Week 8** (3rd May).

- **UNDER NO CIRCUMSTANCES WILL LATE ASSIGNMENTS BE ACCEPTED.**
- **YOU MUST KEEP A PHOTOCOPY OF THE ASSIGNMENT YOU SUBMIT.**
- **BRING THE COPY TO YOUR TUTORIAL SO THAT YOU CAN COMPARE YOUR ANSWER WITH YOUR TUTOR'S ANSWER.**

The Assignment will be marked and returned to you in Tutorial 10 (Week 13). Failure to submit an assignment, or late submission, will result in loss of all marks allocated to the assignment. Students who experience serious misadventure and are unable to submit an assignment by the due date should submit an Advice of Absence form to the Student Centre.

If your assignment is not returned to you, you should contact Alex Blair directly, in person, during his consultation hours. You must bring along your backup photocopy of your assignment. No enquiry regarding a misplaced assignment will be processed without the photocopy.

## 7. COMPUTER QUIZZES

The computer quizzes cover the work done in lectures, tutorials and the textbook. The aims of the quizzes are:

- i) to assist you in monitoring your understanding of the material,
- ii) to provide feedback on your progress, and
- iii) to help you prepare for the multiple choice questions in the mid-course tests and in the final exam.

These quizzes can be done on any computer connected to the Internet (see Section 2 above). Each quiz consists of 20 multiple choice and true/false questions chosen randomly from a large data bank of questions relating to specific topics.

You should attempt each computer quiz within three weeks of the topics examined in the quiz being dealt with in the lectures. Week 1 quiz is available immediately to all students enrolled in ECON110.

**YOU WILL NOT BE ABLE TO PROGRESS TO THE NEXT WEEK'S QUIZ UNTIL YOU HAVE COMPLETED THE PREVIOUS WEEK'S QUIZ.**

**YOU WILL NOT BE GIVEN ACCESS TO ANY SUBSEQUENT QUIZ IF YOU MISS A QUIZ DEADLINE.**

### LIST OF QUIZZES:

Quiz	Topics Covered
Week 1	Orientation/Introduction
Week 2	Problems and Methods of Economics; Basic Economic Concepts
Week 3	Circular Flow of Income and National Income Accounts
Week 4	Macroeconomic Equilibrium; Goods Market; Keynesian Multiplier Model
Week 5	Consumption; Investment
Week 6	Demand for Money; Money Market Equilibrium; Interest Rate Determination
Week 7	Financial Sector; Money Creation Process
Week 8	Interactions between Goods and Money Markets
Week 9	Unemployment
Week 10	Inflation
Week 11	Monetary Policy; Fiscal Policy
Week 12	The International Sector; Balance of Payments; Exchange Rates

### Assessment of Quizzes

There will be one quiz for the topics covered in each week of lectures. **EACH WEEK'S QUIZ WILL BE OPEN FOR ASSESSMENT ONLY FOR A THREE WEEK PERIOD.** In that period you may attempt each Quiz up to three times (the computer will randomly generate a different set of questions each time).

**A total of five marks are allocated to the online quizzes.** However it is necessary to adhere **to all the rules set down for the quiz exercise.** In particular, you **MUST** adhere to the deadline for each Quiz. **If you miss the deadline, you cannot progress to the next Quiz,** and your maximum quiz mark will be the mark you have achieved for the quizzes you have completed up to that point.

Only the highest of the marks given for each attempt will count towards your assessment. This allows you an introductory attempt and then two repeat attempts. Your understanding of the topic will improve with each attempt, and your progress will be rewarded in your final mark for that quiz, which will normally be the highest of the marks for your three attempts.

**THIS THREE WEEK PERIOD, DURING WHICH YOU CAN ATTEMPT EACH QUIZ, WILL BEGIN FOLLOWING THE END OF LECTURES ON THE TOPIC COVERED BY THE QUIZ.** The start and end times of the period for the assessable quizzes will be posted on the

website. All three assessable attempts must be made within this period. In general, the closing time for each quiz will be three weeks after the relevant lectures. Note carefully the date and exact time for expiry of the Quiz. Once the time limit for each quiz has expired, the icon for that quiz will disappear from the web site.

You **must** attempt every quiz within the three week period allowed, and **achieve a score of at least 10 out of 20 in one of your three attempts**, in order to progress to the next quiz. If for example you do not pass the Week 2 Quiz within the three week time limit you will not be able to progress to the Week 3 Quiz, nor to any subsequent quiz. You would therefore forfeit the remainder of the 5% Online Quiz assessment.

As an exercise in Week 3, you will be required to post a message on the bulletin board of the website. Details will be provided in a message on the website bulletin board (in the Announcements from Teaching Staff directory). **If you do not complete this exercise, you will suffer a marks penalty.** Some students do not spend the time necessary to comprehend these instructions. They therefore do not understand why, for example, the icon for a quiz disappears after the three week time limit, and they approach the tutor-in-charge with this problem. You are welcome at any time to approach the tutor-in-charge with genuine problems, but **if you demonstrate that your problem has arisen because you have not spent the time necessary to understand these instructions, then you will suffer a marks penalty.**

**We recommend that you should make at least one attempt at each week's quiz as soon as it becomes available.** Your basic knowledge from the lecture, tutorial and textbook should be enough to give you a mark of 50% in this first attempt (you can do a few Practice Quizzes first, if you wish). A mark of 50% is what you will need to progress to the following week's Quiz. 50% sounds like a low mark, but note that it will not affect your final Quiz mark for ECON110, because **only your best mark is counted.** Once you have completed at least one quiz attempt with a mark of 50%, you will be entitled to progress to the following quizzes. Meanwhile you can make more attempts at the current quiz when you are more confident with the material, and get the higher mark which will contribute to your total mark for the subject. **Having done one attempt for each Quiz with a mark of 50%, you will not need to worry about missing a deadline.**

As well as giving you invaluable practice for the Final Examination, part of the intention of the quiz system is to accustom you to the regulations, requirements and deadlines that you will inevitably encounter throughout your university studies (and later, in paid employment). **In particular, meeting the deadlines is a crucial part of the discipline that gives the exercise value.**

Therefore, you are expected to make note of, and meet, the deadline for each quiz, whenever it may be. You will be expected to understand the 24 hour clock system upon which the quizzes are based. If you miss the deadline for a quiz, for any reason, we will not enter into argument about the deadline, and we will not extend it. Meeting the deadline is part of the exercise.

Remember also that the practice quizzes will be available from the day they open till the end of semester. So you will always be able to practice for the Final Examination, although when you do the Practice Quizzes you will not be earning marks that contribute to your final grade.

**EACH TEST SHOULD BE COMPLETED BY YOU WITHOUT ASSISTANCE FROM OTHERS.** The quizzes are intended to give **YOU** feedback on **YOUR** understanding of the various topics and to indicate areas where further work is required. Such feedback is worthless if the test results reflect your friends' understanding of the topic, rather than your own!

### **How to Access the Computer Quizzes**

Go to the password-protected area of the Unit web site and click on the Quiz icon. Follow the hyper-linked title of a quiz in the quiz listing links to access immediately the particular quiz you want to complete. The Quiz/Survey page is divided into 3 frames:

1. The top of the question frame shows the title of the quiz, the time the quiz was started, the current time, the time allotted (unlimited), the time spent on the quiz and the number of questions.
2. The left-hand frame shows the questions on the Quiz/Survey. If all of the questions do not fit on the screen, a scrollbar at the right of the frame allows you to scroll down to display the remaining questions. Each question is followed by a Save Answer button, which must be pressed after answering each individual question. The Save Answer button may be pressed more than once, if an answer to a question needs to be changed.
3. The right-hand frame contains a table listing which questions have and have not been answered. A red bullet denotes that a particular question has not been answered yet, while a green bullet indicates that the question has been answered. Pressing the Save Answer button below a question in the left frame will change a bullet from red to green.

When you have completed the quiz, the Finish button at the top or bottom of the quiz must be pressed to submit the responses for grading. Once that button has been pressed, the student's answers are saved and the student is provided with a hyperlink to return to the quiz homepage. When you click on a particular attempt that has been marked you are presented with the view of the whole quiz again, showing your score. You can get back to the listing of quizzes by clicking on the "Back to Quiz Listing" hyper-link at the bottom of the graded quiz. In addition to viewing individual quiz results, students may view their performance on quizzes in relation to class performance, by clicking on the Summary button at the top of the Quiz homepage. A listing of all attempted and graded quizzes will be shown, and the student may select the checkboxes of quizzes for which summary information is to be shown.

## **8. ENQUIRIES AND PROBLEMS**

### **Administrative**

If you wish to change your tutorial time from the beginning of Week 3, or if you have other administrative enquiries from Week 1 onwards, contact

Alex Blair (Tutor-in-charge), Ph: 9850-7897; E4A 418

If you have forgotten your password for the web site, ITCSD or OCS Help desk (see Section 2) can reset it.

### **Academic**

**IF YOU ARE HAVING DIFFICULTY UNDERSTANDING THE COURSE  
OR WHAT IS REQUIRED OF YOU, CONTACT YOUR TUTOR.**

Members of staff in the Economics Department have their consultation times displayed on their doors. When tutors/lecturers are not available for consultation, it is best to telephone them, leaving a message with your name and contact information on their Voicemail. If your tutor is unable to help, then contact one of the other tutors, or one of the lecturers in the course. If your question is not urgent, or

of general interest, you can always post it on the online Bulletin Board and it will be answered in due course (not instantly but very soon). Other students can then also benefit from your question and the posted response.

### **Advice of Non-Completion of Coursework**

If you are sick or experience misadventure such that you are unable to complete an item of coursework (multiple choice tests, assignments or computer quizzes, for example), Macquarie has a certain procedure **which must be followed**:

1. Go to the **STUDENT CENTRE** (in the Lincoln Building) and obtain an 'Advice of Absence' form. A copy of the form is attached for your information as the second last page of this handout.
2. Complete the form and hand it in to the Student Centre, along with any supporting documentation such as medical certificates.
3. The Student Centre will forward the forms to the relevant lecturers-in-charge.
4. **DO NOT ADVISE ANY ACADEMIC STAFF, AND DO NOT HAND FORMS IN TO ANY ACADEMIC STAFF.**
5. This procedure is **ONLY FOR COURSEWORK**. A different procedure applies for sickness and misadventure relating to final exams.

## Personal

If, for whatever reason, you find yourself in serious difficulties in relation to your university studies, you are strongly encouraged to inform your tutor of your situation and how it is affecting you. You don't have to go into personal details if that is not your wish; just outline the facts of the case so that the tutor is **aware** that a problem exists. It is much better to do this while the difficulties are occurring rather than afterwards.

Many of you, moreover, will face personal crises of one sort or another during your university career. Often these will occur in your first year. If you desire professional assistance of any kind with your personal problems, you are strongly encouraged to consult one of the helpful people at the University Counselling and Health Services, all of whom have experience with a very wide range of situations. This service is free.

## STUDENT'S RESPONSIBILITY

University Staff provide a wide range of services to assist you with the unit. These include:

- three sets of the same lecture (two in the day and one in the evening)
- digital recordings of lectures
- tutorials
- unit web site with bulletin board
- individual consultation upon request
- assistance with study skills (library, audiovisual section)
- assistance with writing skills (English for Academic Purposes)
- assistance with mathematical skills (Numeracy Centre)
- assistance with personal problems (Counselling Service)

However, it is **YOUR** responsibility – and not that of the staff – to ensure that a satisfactory understanding of the course material is achieved. How this understanding is achieved is also your responsibility – there are no fixed formulae. Although attendance at lectures and tutorials is highly desirable and strongly encouraged, we do not enforce it.

## SPECIAL CONSIDERATION - FINAL EXAMINATION

In cases of illness or misadventure in relation to the final examination, you may appeal to for Special Consideration. In this regard, the Economics Department offers you a form of insurance against factors that could affect your performance in the exam, or prevent you from sitting the examination on the day. However, like any insurance policy, a premium must be paid. For this policy, you are not asked to pay in money, but in marks in ECON110.

Your attention is drawn to the following:

The procedures of the Division of Economic and Financial Studies allow Lecturers-in-Charge to refuse applications for Special Consideration on the grounds of 'Unsatisfactory Coursework'.

**IN ECON110, NO STUDENT WILL BE GRANTED SPECIAL CONSIDERATION FOR THE FINAL EXAMINATION IF THEY HAVE NOT SCORED AT LEAST 50% OF THE MARKS AVAILABLE FROM WITHIN-SEMESTER ASSESSMENTS.**

The Lecturer-in-Charge is happy to lend a helping hand to those affected by circumstances beyond their control, but you should remember that for students **this is a privilege, not a right.**



Your attention is drawn to p.17 in the 2006 University Calendar where it is noted that 'Each unit of study is worth a specified number of credit points. The credit value of a unit reflects the amount of work required in the unit. Each credit point in a half-year unit would indicate that you should expect to spend about 3 hours each week on that unit....'

ECON 110 has a value of 3 credit points, so you should spend on average **9** hours per week (lectures, tutorials, study, etc.) on this unit.

**IF YOU ARE NOT SPENDING AN AVERAGE OF 9 HOURS PER WEEK ON ECON110, THEN YOU ARE DELUDING YOURSELF ABOUT THE AMOUNT OF WORK NECESSARY TO PASS THIS UNIT.**

## **STUDENT APPEAL**

Any query or difficulty concerning the final result in the unit should be made **IN WRITING** to the lecturer-in-charge. **Do this as soon as possible after receipt of your grade.** If there is a continuing difficulty, a student should see the Head of the Economics Department or the Head of the Division of Economic and Financial Studies. Ultimately, the student may lodge a formal appeal against the result by writing to the Registrar.

### **9. THE EFS RESOURCE AND INFORMATION CENTRE (ERIC)**

ERIC is a resource facility that provides a very useful interface between students and the teaching staff in DEFS. It contains, for example, copies of handouts distributed in lectures and solutions to exercises. In addition, its notice board (outside the room) is also where tutorial lists and the results of Multiple Choice tests are posted.

ERIC is located in E4B 106 on the ground floor of the E4B building. You need to familiarise yourself with its location and the services it provides.

### **10. THE DANGERS OF PLAGIARISM AND HOW TO AVOID THEM**

The integrity of learning and scholarship depends on a code of conduct governing good practice and acceptable academic behaviour. One of the most important elements of good practice involves acknowledging carefully the people whose ideas we have used, borrowed, or developed. All students and scholars are bound by these rules because all scholarly work depends in one way or another on the work of others.

Therefore, there is nothing wrong in using the work of others as a basis for your own work, nor is it evidence of inadequacy on your part, *provided you do not attempt to pass off someone else's work as your own.*

To maintain good academic practice, so that you may be given credit for your own efforts, and so that your own contribution can be properly appreciated and evaluated, you should acknowledge your sources and you should **ALWAYS**:

- (i) State clearly, in an appropriate form, where you found the material on which you have based your work, using the system of reference specified by the Division in which your assignment was set.

- (ii) Acknowledge the people whose concepts, experiments, or results you have extracted, developed, or summarised, even if you put these ideas into your own words.
- (iii) Avoid excessive copying of passages by another author, even where the source is acknowledged. Find another form of words to show that you have thought about the material and understood it, but remember to state clearly where you found the ideas.

If you take and use the work of another person without clearly stating or acknowledging your source, you are falsely claiming that material as your own work and committing an act of *PLAGIARISM*. This is a very serious violation of academic practice and an offence for which you will be penalised.

*YOU WILL BE GUILTY OF PLAGIARISM* if you do any of the following in an assignment, or in any piece of work which is to be assessed, *without clearly acknowledging your source(s) for each quotation or piece of borrowed material*:

- (a) Copy out part(s) of any document or audio-visual material, including computer-based material;
- (b) Copy out or take ideas from the work of another student, even if you put the borrowed material in your own words;
- (a) Submit substantially the same final version of any material as a fellow student. On occasions, you may be encouraged to prepare your work with someone else, but the final form of the assignment you hand in must be your own independent endeavour.

## **11. TEXTS**

### **TEXTBOOK**

The textbook in ECON110 for 2006 is

O'Donnell R.M. (2006), *Macroeconomic Principles* Revised 3<sup>rd</sup> Edition.

This book covers the entire content of the unit.

### **Dictionaries of Economics**

Understanding definitions and concepts in economics is often half the battle. Glossaries at the back of some textbooks are helpful. Dictionaries of Economics, of which there are several located in the Reference Area of the Library, can also be helpful. Note, however, that dictionaries sometimes contain mistakes and are sometimes incomplete. It is thus preferable to consult at least two different dictionaries, rather than rely on one alone.

### **Alternative Texts**

If you find the set textbook unsatisfactory, you may like to try an alternative. Several alternative texts are suggested below. If you find one with a style that suits you, it is possible to use it as a substitute so long as it covers the same basic material and was not published too long ago. As a general rule, however, it is not a good idea to attempt to read a large number of textbooks on each topic. Different books have different emphases, symbols and conventions and the differences can be confusing. Your time is also too limited to conduct a research project on every subject.

Stegman T. and Junor B. (1993), *Introductory Macroeconomics*, Harcourt Brace.  
Jackson, J. and McConnell, C. R. (1994), *Economics*, 4th Australian Edition, McGraw Hill.  
Lipsey, R.G., Langley, P.C. and Mahoney, D.M. (1986), *Positive Economics for Australian Students*, 2nd ed., Weidenfeld and Nicolson, London.  
McTaggart D., Findlay C. and Parkin M. (1999), *Economics*, Addison-Wesley.  
Samuelson P.A., Nordhaus W.D., Richardson S., Scott G., Wallace R. (1995), *Economics*, Vol.2: Macroeconomics, McGraw Hill.  
Baumol W.J., Blinder A.S., Gunther A.W., Hicks J.R.L. (1992), *Economics, Principles and Policy*, 2nd Australian edition, Harcourt Brace.  
Waud R.N., Maxwell P, Bonnici J. (1992), *Macroeconomics*, 2nd Australian edition, Harper Educational.

## **LECTURE TOPIC TEXTBOOK REFERENCES**

<b><u>MODULE 1</u></b>	<b>Nature of Economics: Problems and Methods</b> - Chs. 1 to 7
<b><u>MODULE 2</u></b>	<b>Measuring Output in the Economy: Circular Flow and National Income Accounts</b> - Chs. 8 to 13.
<b><u>MODULE 3</u></b>	<b>The Goods Market (Income-Expenditure Model)</b> - Chs. 14 to 25.
<b><u>MODULE 4</u></b>	<b>Investment Theory</b> - Ch. 26.
<b><u>MODULE 5</u></b>	<b>The Demand for Money and the Money Market</b> - Chs. 28 to 32.
<b><u>MODULE 6</u></b>	<b>The Financial Sector</b> - Chs. 41 to 45.
<b><u>MODULE 7</u></b>	<b>Interactions between the Goods and Money Markets</b> - Chs. 33 to 35.
<b><u>MODULE 8</u></b>	<b>Unemployment</b> - Chs. 56 to 59.
<b><u>MODULE 9</u></b>	<b>Inflation</b> - Chs. 53 to 55.
<b><u>MODULE 10</u></b>	<b>Monetary Policy</b> - Ch. 46 to 49.
<b><u>MODULE 11</u></b>	<b>Fiscal Policy</b> - Chs. 50 to 52.
<b><u>MODULE 12</u></b>	<b>The External Sector</b> - Chs. 36 to 40.

## Advice of Absence or other Circumstances such as illness, missed assignments or tests

Student Number

To be completed by student

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Family Name	Other Names	Division of Registration
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**Read this before completing the sections below**

- 1) This form is to be used for advice of absence or other circumstances during the academic half-year **prior to the examination period**. For special consideration for the **formal exam period** use a *Special Consideration Form* (available a week before exams commence until the day after exams finish).
- 2) If you are submitting medical certificates only originals or copies certified by the Registrar's Office (Student Centre) will be accepted.
- 3) If you have missed assignments or class tests you should contact the lecturer/course convenor to make alternative arrangements **as well as** completing this form.
- 4) A copy of this form will be sent to the appropriate Division(s).
- 5) No acknowledgment of receipt of this form will be sent.
- 6) Submit this form to:

**Student Centre - Undergraduate Studies Section**  
**Level 1, Lincoln Building**  
**Macquarie University NSW 2109 ☎ (02) 9850 7314**

**Please tick the appropriate box(es) and list the appropriate Unit code(s):**

Unable to attend lecture(s)/tutorial(s) for

1. \_\_\_\_\_ 2. \_\_\_\_\_

3. \_\_\_\_\_ 4. \_\_\_\_\_

5. \_\_\_\_\_ 6. \_\_\_\_\_

Missed test(s) for *eg. STAT170*

1. \_\_\_\_\_ 2. \_\_\_\_\_

Unable to submit assignment(s) by specified date for *eg. STAT170*

1. \_\_\_\_\_ 2. \_\_\_\_\_

Other *(please specify)* \_\_\_\_\_

1. \_\_\_\_\_ 2. \_\_\_\_\_

\_\_\_\_\_  
**Student's Signature**

\_\_\_\_\_  
**Date**

Documentary evidence attached?    **Yes**        **No**     (Tick as appropriate) for the information of Division

**Submit this form at the Student Centre - Undergraduate Studies Section**

<p><b>For Office Use Only</b></p> <p><input type="checkbox"/> Economic &amp; Financial Studies</p> <p><input type="checkbox"/> Early Childhood &amp; Education</p> <p><input type="checkbox"/> Humanities</p> <p><input type="checkbox"/> Law</p>	<p><b>Copies to:</b></p> <p><input type="checkbox"/> Society, Culture, Media &amp; Philosophy</p> <p><input type="checkbox"/> Environmental &amp; Life Sciences</p> <p><input type="checkbox"/> Linguistics &amp; Psychology</p> <p><input type="checkbox"/> Info &amp; Communication Sciences</p>
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## INDICATIVE COURSE CALENDAR ECON110

Week No. Commencing	Lecture Topic	Tutorials and Coursework
1 February 27	Module 1 Module 2	DO COMPULSORY EXERCISE, DO WORKBOOK PART 1 AND QUIZ 1
2 March 6	Module 2 (cont)	DO COMPULSORY EXERCISE, DO WORKBOOK PART 2 AND QUIZ 2
3 March 13	Module 3	<b>Tutorial 1:</b> Circular Flow; National Income Accounts. DO WORKBOOK PART 3 AND QUIZ 3
4 March 20	Module 3 (cont)	<b>Tutorial 2:</b> The Income-Expenditure Model and the Goods Market. DO WORKBOOKS PARTS 3 & 4 AND QUIZ 4
5 March 27	Module 4 Multiple Choice self-evaluation exercise Module 5	<b>Tutorial 3:</b> The Income-Expenditure Model and the Goods Market - Extensions.  DO WORKBOOK PART 4 AND QUIZ 5
6 April 3	Module 5 (cont)  Module 6	<b>Tutorial 4:</b> Consumption and Investment.  DO WORKBOOK PART 4 AND QUIZ 6
7 April 10	Module 6 (cont)  <b>MULTIPLE CHOICE TEST THURSDAY LECTURE APRIL 13</b>	<b>Tutorial 5:</b> Demand for Money and the Money Market.  DO WORKBOOK PART 7 AND QUIZ 7
<b>MID-SEMESTER BREAK: FRIDAY 14 APRIL TO SUNDAY 30 APRIL.</b>		
8 May 1	Module 7	<b>Tutorial 6:</b> Financial Sector  DO WORKBOOK PART 5 AND QUIZ 8  SUBMIT <b>ASSIGNMENT</b> TO DESIGNATED BOX ERIC (E4B 106) <b>BY 7:00 PM WED. MAY 3.</b>  Results for Multiple Choice Test Outside ERIC (E4B 106).
9 May 8	Module 8	<b>Tutorial 7:</b> Interactions between Goods and Money Markets.  DO WORKBOOK PART 11 AND QUIZ 9
10 May 15	Module 9	<b>Tutorial 8:</b> Unemployment.  DO WORKBOOK PART 10 AND QUIZ 10
11 May 22	Module 10 <b>LONG ANSWER TEST THURSDAY LECTURE MAY 25</b>	DO WORKBOOK PARTS 8 & 9 AND QUIZ 11
12 May 29	Module 11 Module 12	<b>Tutorial 9:</b> Monetary Policy; Fiscal Policy.  DO WORKBOOK PART 6 AND QUIZ 12
13 June 5	Module 12 (cont) Overview and Revision.	<b>Tutorial 10:</b> External Sector; Revision.  Results for Long Answer Test outside ERIC (E4B 106).

