

# BBA 214: Macroeconomic Policy and Business

The unit focuses on the insights offered by macroeconomics to understand the environment in which businesses operate. In particular, it analyses challenges and policies aiming at sustaining the level and rate of growth of aggregate production while maintaining a low inflation rate.

Topics covered include problems and policies related to economic growth, unemployment, and short-term fluctuations in economic activity for a small open economy such as Australia. The impact on business of volatility in key macroeconomic variables such as interest rates, the exchange rate and inflation is studied in some detail.

Textbook: O. Blanchard, J. Sheen – Macroeconomics, Pearson

Credit Points:	3
Contact Hours:	3
When Offered:	Monday, Semester 2
Staff Contact:	Dr Massimiliano Tani (room 442, E4A), Ms Andrea Chareunsky (room 452, E4A)
Prerequisites:	(Admission to BBA or BIntBus) and (BBA103 or ECON110)
Assessment	1. Mid-term test (20%) 2. Project (max 1,500 words – 30%) 3. Final exam (50%)
Assessed As:	Graded
Offered By:	Department of Economics

## Course structure

Week	Topic	Reference
1	Introduction	Lecture slides
2	Measuring the economy	Chapter 2
3	The goods market	Chapter 3
4	The financial market	Chapter 4
5	The IS-LM model	Chapter 5
<b>6</b>	<b>Mid-term test (weight: 20%) 20 multiple choice + 1 problem</b>	<b>Material covered in weeks 1-5</b>
7	The labour market	Chapter 6
8	The AS-AD model – part 1	Chapter 7
9	The AS-AD model – part 2	Chapters 7 and 17
10	Economic growth	Chapter 12
11	The open economy – part 1	Chapter 18
12	The open economy – part 2	Chapter 21
<b>13</b>	<b>Revision. Project due before start of lecture (weight: 30%)</b>	