

MACQUARIE
UNIVERSITY



FACULTY OF
BUSINESS AND ECONOMICS

ECON110 Macroeconomic Principles

Semester 1, 2009

Department of Economics

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QUICK REFERENCE: USEFUL SOURCES OF INFORMATION

For **administrative matters** contact Craig MacMillan (Tutor-in-charge), Ph: 9850-7290; E4A 427. craig.macmillan@mq.edu.au

For **special consideration**, students are to submit forms at the Student Enquiry Service (see http://www.mq.edu.au/policy/docs/special_consideration/policy.html)

To **change tutorial times**, please do so via eStudent before the end of Week 1.

The login point for the **unit web site** (and all your other units) is at <https://learn.mq.edu.au/>
Click on "login" and you will be asked for your username and password. These will then give you access to the password-protected ECON110 website. You will find most, if not all, of the information about the Unit at the website. Make sure to access regularly the Bulletin Board on the website, especially the Announcements from Teaching Staff, which contains important information and regular updates about the Unit.

1. AIMS AND NATURE OF THE COURSE

Welcome to the 2009 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 course structure, by topic and textbook chapter, is as follows:

Week 1	Introduction to economics – 1.3-1.6 and 2.1-2.2
Week 2	GDP and inflation – Chapter 3 Savings and wealth – Chapter 4
Week 3	Savings and wealth – Chapter 4 (continued) Unemployment – Chapter 5
Week 4	Test (1st hour): 3OMC on topics of weeks 1-4 Introduction to business cycles – Chapter 6
Week 5	The basic Keynesian model – Chapter 7
Week 6	Fiscal policy – Chapter 8
Week 7	Money and monetary policy – Chapters 9 and 10
Week 8	Monetary policy – Chapter 10
Week 9	Test (1st hour): 4 problems on topics of weeks 5-8 Introduction to AS-AD model – Chapter 11
Week 10	AD-AS model – Chapter 11
Week 11	The exchange rate – Chapter 16
Week 12	The balance of payments – Chapter 17
Week 13	Revision

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.

FIVE STEPS TO SUCCESS IN ECON110

1. Attend your lectures and tutorials.
2. Read and try to understand the relevant sections of the textbook.
3. Do your tutorial exercises
4. Don't let problems build up – seek help often and early, for example by asking questions during your tutorial. Consult your lecturer if questions remain
5. Work in groups. It usually helps.

2. UNIT WEB SITE (ONLINE MATERIAL)

To login you need a Username and password. Your ECON110 Username will be your standard Macquarie student username, which is your University Student Number. The letter you received from the University after enrolment will also have informed you of your initial password. 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 Information Technology Services (ITS) Helpdesk. If you have not received the letter, contact the ICS Helpdesk.

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. Consult the Announcements from Teaching Staff section of the Bulletin Board on the ECON110 website for further information on Internet access.

3. LECTURES

There is one 2 hour lecture per week, which you will need to attend. Lectures are organised into four streams, each of which covers the same content, although the lecturers will differ. The streams are arranged as below:

Day:

Class 1: Wednesday 2-4 pm. Macquarie Theatre

Class 2: Thursday 12-2 pm. Macquarie Theatre

Class 3: Friday 11am-1pm. Price Theatre

Evening:

Class 4: Wednesday 6-8 pm. X5B T1

IMPORTANT NOTE:

You MUST attend the lecture stream for which you were registered to ensure that all students have a seat. You are NOT ALLOWED to switch classes between day lectures. For fire safety reasons, students are not permitted to sit on the steps or the aisles of the theatre during lectures. This requirement will be strictly enforced, and students may be ejected and penalized when found attending lectures for which they are not enrolled.

There are two lecturers in the Unit:

- Max Tani (Unit Convenor) Weeks 1-13; (Classes 3 and 4)
(Room E4A 442, phone 9850 8499)
- Craig MacMillan Weeks 1-13 (Classes 1 and 2)
(E4A 427, phone 9850 7290)

4. ASSESSMENT

Assessment in the course is as follows: %

In-class MC test	15%	Week 4
In-class problems (4)	25%	Week 9
Final exam (MC and problems)	60%	
TOTAL	100%	

In-class tests are carried out in the FIRST HOUR of the lecture. They will last 40 minutes (MC test – 30 multiple choice) and 50 minutes (2 problems), respectively.

Online preparatory quizzes are conducted every fortnight.

The FINAL EXAM will last 3 hours and will include both multiple choice and problems (4)

Assessment schedule

Week 1	No tutorials – enjoy your freedom!
Week 2	Tutorials begin
Week 3	
Week 4	Test: 30 MC, 40 minutes: 15%
Week 5	
Week 6	
Week 7	
Week 8	
Week 9	Test: 2 problems, 50 minutes: 25%
Week 10	
Week 11	
Week 12	
Week 13	Last week of tutorials

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

- (1) Make a genuine effort to prepare for the **within-semester Tests**;
AND
- (2) **Pass the Final Exam.**

PLEASE TAKE SPECIAL NOTICE OF THIS. UNFORTUNATELY SOME STUDENTS DO NOT REALISE THAT IN ORDER TO PASS THIS COURSE YOU MUST PASS THE FINAL EXAM, REGARDLESS OF HOW WELL YOU DID IN ALL THE OTHER ASSESSMENTS.

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 2 and then be held in each week for the rest of the semester.

Tutorials will be structured around tutorial problems from the textbook.

Tutorial lists (giving your tutorial time, tutorial number, and location) are located in the password-protected section of the Unit Website.

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

Remember that **your tutor is your first reference point to clarify the material and answer your questions.** 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. 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, this must be done via eStudent by the end of Week 1.

As an exercise in Week 1, you will be required to post a message on the bulletin board of the website, acknowledging that you have read and understood these instructions.

6. ENQUIRIES AND PROBLEMS

Administrative

- If you have forgotten your password for the web site, the ITS Help desk (see box on Page 2) can reset it.
- Student Enquiry Centre (special considerations)
- Craig MacMillan (Tutor-in-charge), Ph: 9850-7290; E4A 418.
craig.macmillan@mq.edu.au

Academic

- Tutors (first port of call)
- Craig MacMillan (Tutor-in-charge)
- Max Tani (Unit Convenor), Ph: 9850 8499; E4A 442.
max.tani@mq.edu.au

Lecturers will post their contact details and consultation hours on the Unit web site. In addition, members of staff in the Economics Department have their consultation times displayed on their doors. If your tutor is unable to help, then contact one of the other tutors, or one of the lecturers in the course.

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, for example), go to the **STUDENT ENQUIRY SERVICE to lodge your application.**

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:

- audio-tapes of lectures (university resources permitting)
- 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.

STUDENT APPEAL

If there is any circumstance or situation beyond your control which will affect your future performance in the Unit, particularly in the Final Examination, inform the University as soon as possible by contacting the Student Enquiry Service.

7. BESS (BUSINESS AND ECONOMICS STUDENT SERVICES)

BESS is a resource facility that provides a very useful interface between students and the teaching staff in EFS. **BESS is located in E4B 106 (on the ground floor)**. You need to familiarise yourself with its location and the services it provides.

8. 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*.

9. TEXTBOOK

The textbook in ECON110 for 2009 is

Bernanke, B.H., Olekalns, N., and Frank, R.H. (2007), *Principles of Macroeconomics* 2nd (Australian) Edition

This book covers the entire content of the unit.

Dictionaries of Economics

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

It is possible to use an alternative textbook so long as it covers the same basic material and was not published too long ago, but you should be aware that 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.