



ECON110
Macroeconomic Principles

Semester 2, 2010

Unit Outline

Department of Economics

**ECON110
MACROECONOMIC PRINCIPLES**

**MACQUARIE UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
UNIT OUTLINE**

Second Semester - 2010

Unit convenor: Dr Alison Vicary

Prerequisites: None

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

ABOUT THIS UNIT

Credit points: 3

Welcome to ECON110, Macroeconomic Principles. The two units ECON110 and ECON111 aim to provide an introduction to the main ideas and concepts involved in modern economics. They provide students with an understanding of how the economy works, what type of problems economists attempt to solve, and how they set about trying to solve them. ECON111 deals with microeconomics. ECON110 on the other hand deals with macroeconomics, that is, with the behaviour of the economy as a whole, that is the economy seen as a set of markets related to each other, rather than on the features characterising the equilibrium in an individual market.

This unit offers an intensive analysis of the major topics in macroeconomics. This unit covers topics that include the measurement of macroeconomic performance, explanations for changes in economic output and employment in the short and long run. Topics also include the impact of fiscal and monetary policy on output and employment.

TEACHING STAFF

Lecturer/ Unit Convenor: Dr. Alison Vicary

Location: E4A437

Phone: 98508591

There are five other people taking tutorials in this unit. Your tutors are either enrolled in the Honours Program or in a PhD in the Department of Economics. You will be introduced to your tutor in the first tutorial in the second week of the semester.

UNIT WEB PAGE

The unit uses a Blackboard web page that can be accessed via learn.mq.edu.au. The lecture slides for each week's lecture will be posted on the web page, before the lecture. You will find it useful to download the slides prior to the lecture, and bring them to the lecture. The web page is also used to post important notices from time to time. You should check this web page regularly.

The unit web page has the facility to allow peer to peer discussion. The unit web page also allows students to put questions to an Online-Tutor. The Online-Tutor will attempt to answer your questions in a timely manner. Students are also encouraged to answer any questions posed by their peers.

If you have any problems accessing this web page you should go the Online Teaching Facility support web page at <http://online.mq.edu.au/docs/tecinf.html>.

CONSULTATION TIMES

Students will be notified of staff consultation hours during the first tutorial in week 2. The consultation timetable will also be made available on the unit's website.

You are encouraged to seek help from a staff member teaching on this unit during their regular consultation hours.

If you wish to contact the Unit Convenor – Dr. Alison Vicary – outside of consultation hours, you must do so via the email on blackboard. This can be found by clicking on the mail icon. Do not leave messages on the answering machine.

Students experiencing significant difficulties with any topic in the unit are strongly encouraged to seek assistance immediately.

CLASSES

There is one two-hour lecture per week that you must attend. There is a one-hour tutorial each week, beginning in week 2, which you must also attend. A separate document detailing the tutorial questions will be made available via Blackboard each week.

Lecture: Tuesday 1-3p.m.

Location: W5B Macquarie Theatre

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

LEARNING OBJECTIVES AND OUTCOMES

After successfully completing this unit, you will:

- have a solid understanding of macroeconomic theory

- be familiar with how macroeconomic theory aids decision-making by individuals, business and government
- be able to continue any future studies in economics with increased confidence

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. One of the aims of this unit is that students develop their skills in relation to the following graduate capabilities:

Effective communication
Foundation skills of literacy, numeracy and information technology;
Critical analysis skills;
Problem-solving skills;
Engaged and ethical local and global citizens;
Capable of professional and personal judgement and initiative;
Creative thinking skills.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

The textbook in ECON110 for 2010:

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

The Co-op bookstore has this book and it is recommended that students purchase a copy.

The publisher provides a range of support material for the textbook, including a website. Information on accessing this material is provided in the introduction to the text if you purchase a new copy from the Co-Op bookstore. The website material includes trial questions and quizzes. Those students purchasing a 2nd hand copy of the textbook will need to also purchase a registration code that enables them to access on-line content. Without this code you can do the on-line questions and quizzes. This can be purchased from the Co-Op bookstore.

You are expected to devote some time to these questions and quizzes. They will give you with feedback on how your understanding is progressing. Note that your study time, outside of the classroom, should focus on studying your textbook, revising lecture notes and preparing in advance for tutorials.

ASSESSMENT AND ITS RELATION TO LEARNING OUTCOMES

Assessment will be based on the following FOUR activities. Students must satisfactorily complete ALL four assessments to be eligible to pass this unit.

Assessment 1: Tutorial Group Presentation (10%)

Tutorials will be organised into groups of 4-5 students. You are required to work through the tutorial exercises with your group throughout the semester. Each group

then presents the solutions to the class to receive a mark out of 10. The tutorial presentation accounts for 10% of your final mark in this unit.

The emphasis in these presentations will be your ability to work effectively in a group environment, understand and explain the essential elements of each topic and help others. Your consistent participation in group work and group presentation is essential.

A separate document with detailed instructions about the tutorial format will be made available on Blackboard at the end of week 1. Your tutor will also outline tutorial requirements to you in your first tutorial in week 2.

Assessment 2: Within Semester MULTIPLE CHOICE EXAM held in WEEK 5 (15%)

The exam will be held in WEEK 5 during the first hour of the normal lecture time. To do the exam you simply go to your normal lecture during week 5.

The exam will go for approximately 40 minutes and will contain 20 multiple choice questions. The questions will be drawn from material covered in the unit (lectures and readings) up to and including Lecture (Week) 4. The questions will test your knowledge of basic economic concepts as well as your ability to use those concepts to solve economic problems. The exam will be worth 15% of your total marks in the unit.

Assessment 3: Within Semester ASSIGNMENT due in WEEK 8 (15%)

Each student must submit their assignment by 6pm on Tuesday 5 October, 2010. The emphasis in the assignment will be on using economic theory and reasoning to solve economic problems. This assignment will be worth 15% of your final mark in this unit.

A separate document with detailed instructions about the assignment, as well as the assignment questions, will be made available on Blackboard by the beginning of the fourth week in the semester.

Assessment 4: FINAL EXAMINATION (60%)

End of unit three (3) hour written examination, to be taken during the end of semester examination period. The examination will cover material drawn from all parts of the unit's subject matter. The exam will consist of multiple choice questions and written essay type questions. The final exam will give you the opportunity to demonstrate your knowledge of basic economic concepts, the economic way of thinking and to use this knowledge to solve economic problems.

TEACHING AND LEARNING STRATEGIES

This unit is taught as a mix of tutorials and lectures. The lectures are designed to provide the tools which can then be applied in tutorials.

Lectures – large group learning (2 hour each teaching week)

Lectures are intended to provide an overview of the key concepts explored in the unit. Students are expected to read the relevant chapters before each lecture.

Independent learning – learning by doing (about 6 hours each teaching week and 9 hours each week during the 2-week mid-semester recess)

Econ110 relies heavily on independent learning where students read the relevant chapter, revise the lecture notes and prepare answers to the pre-set tutorial questions.

Tutorials – small group learning (1 hour each teaching week beginning in Week 2)

Tutorials constitute a critical learning experience of this unit and students must attend them. Group work is an essential part of this learning. In Econ110, we emphasise peer-to-peer learning by working as a group through the exercises and learning from others (fellow students and the tutor). Presenting and explaining concepts to other students will allow you to not only absorb and learn but develop the ability to translate what you have learnt to others, which will reinforce learning. Together, it will help you fully understand the material in the course.

Your tutor's role (by explaining, clarifying and summarising) is to help you understand the topics in the tutorial. Your tutor should be your first point of contact if you encounter any difficulties with the course material or tutorial exercises. Ask your tutor questions for further guidance on how to approach questions/difficulties.

After the tutorials – the learning continues

At the end of each week, solutions to the tutorials will be posted on the unit website. Review your tutorial notes, compare your answers to the model solutions, and consult the discussion board for further postings on the topic.

EXAMINATIONS – GENERAL INFORMATION

The University Examination period for **Semester 2, 2010 is 15/11/2010 to 3/12/2010.**

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available at <http://www.timetables.mq.edu.au/exam> in draft form approximately eight weeks before and in final form approximately four weeks before the commencement of the examinations.

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about this is given at <http://www.reg.mq.edu.au/Forms/APSCon.pdf>.

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is, the final day of the official examination period.

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

GRADES

Please refer to relevant Bachelor Degree rule in the Handbook of Undergraduate Studies.

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 exam 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 valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/for/new_and_current_students/undergraduate/admin_central/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.

LECTURES, READINGS AND UNIT DIARY

Week	Week Beginning	Lecture Topic	Textbook Reading	pp.	Tutorials & Special Dates
1	2/8/10	Introduction Measuring Economic Performance	Chapter 3		No Tutorial
2	9/8/10	Measuring Economic Performance	Chapter 4 & 5	152-159	Tutorial 1: Intro
3	16/8/10	Business Cycle	Chapter 6		Tutorial 2: Measuring Economic Performance

4	23/8/10	Basic Keynesian Model	Chapter 7	Tutorial 3: Business Cycle
5	30/8/10	Within Semester Multiple Choice – held during the lecture	Chapters 3	***No Tutorials this Week***
6	6/9/10	Fiscal Policy	Chapter 8	Tutorial 4: Keynesian Model
7	13/9/10	Money & Monetary Policy	Chapter 9 & 10	Tutorial 5: Fiscal Policy

Mid-semester recess from 20/9/10 to 1/10/10

8	5/10/10	Monetary Policy	Chapter 10	Assignment Due Tuesday 5/10/10 by 6pm. *** No Tutorials this Week ***
9	11/10/10	AD-AS Model	Chapter 11	Tutorial 6: Money & Monetary Policy
10	18/10/10	AD-AD Model (con't.)	Chapter 11	Tutorial 7: AD-AS Model
11	25/10/10	Exchange Rates & the Open Economy	Chapter 16	Tutorial 8: AD-AS Model (con't)
12	1/11/10	Balance of Payments	Chapter 17	Tutorial 9: Exchange Rates & Open Economy
13	8/11/10	Wrap Up		Tutorial 10: Balance of Payments