

MACQUARIE  
UNIVERSITY



FACULTY OF  
BUSINESS AND ECONOMICS

# ECON214 / BBA 214 Applied Macroeconomics

## Semester 2, 2010

*Department of Economics*

## ABOUT THIS UNIT

<b>Year and Semester:</b>	<b>Semester 2 2010</b>
<b>Unit convenor:</b>	<b>Alex Blair Department of Economics</b>
<b>Credit points:</b>	<b>3 credit points</b>

Macroeconomics is the study of the economy as a whole, both in isolation and in interaction with the global economy. ECON214 (double badged as BBA214) assesses the current state of Macroeconomic theory and in doing so provides a guide to the behavior of a modern industrial economy. Its content mirrors that provided in ECON204 *Macroeconomic Analysis*; however ECON214 aims to present this material in a manner particularly suited to students in business-oriented programs of study. The major theoretical models of current macro theory will be presented, but the underlying aim is that knowledge of these models will be of practical advantage to students of business and commerce. Its emphasis therefore will be on practical applications of these theoretical models. In particular, students completing the Unit will be able to understand the policy debates current in this period of extreme disorder in the global economy and financial markets, and assess the underlying theoretical approaches of the opposing sides in those policy debates.

## TEACHING STAFF

Alex Blair (Unit coordinator), Room: E4A418  
Phone: 9850 7897, email: [alexander.blair@mq.edu.au](mailto:alexander.blair@mq.edu.au)

All administrative enquiries should be directed to the lecturer-in-charge in person during consultation hours. Consultation times will be released on the Unit website. Questions on the content of the Unit should be posted online in the Discussions section of the Black Board, where the questions and resulting discussion can be of benefit to other students in the Unit.

## CLASSES

- This unit provides 3 hours face-to-face teaching per week consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial
- The timetable for lectures and tutorials can be found on the University web site at: <http://www.timetables.mq.edu.au/> Consult this website for times and locations of tutorials.

There is one stream of lectures each week at the following time and location:

**Lectures:** Monday 11-1pm W5C 320

There will be no tutorials in Week 1; watch the website for further messages on tutorial times and locations.

## REQUIRED AND RECOMMENDED TEXTS

### Recommended Text:

Olivier Blanchard & Jeffrey Sheen, *Macroeconomics*, Pearson, 3<sup>rd</sup> Australasian edition, 2009 (hereafter B&S).

The text is available for purchase at Co-op Bookshop.

There is a free online study resource:

[http://wps.pearsoned.com.au/au\\_be\\_blanchardsheen\\_macroec\\_3/118/30377/7776691.cw/index.html](http://wps.pearsoned.com.au/au_be_blanchardsheen_macroec_3/118/30377/7776691.cw/index.html)

## UNIT WEB PAGE

Lecture and tutorial material, as well as up to date information concerning any aspect of the unit, including any changes to the schedule, will be available to students by logging on to Blackboard at <http://learn.mq.edu.au>.

## LEARNING OBJECTIVES AND OUTCOMES

### Subject specific learning outcomes:

- Understanding of the theoretical models that form the body of contemporary macroeconomics;
- An ability to apply macroeconomic models to various economic problems and issues;
- An ability to use computer software to practice the application of macroeconomic models
- An ability to critically evaluate public policy prescriptions based on understanding of the underlying theoretical models

### Generic learning outcomes:

- An ability to identify, define and analyse problems and recommend creative solutions within real-world constraints.
- Development and demonstration of a capacity to work independently, including the ability to plan and achieve goals.
- An intellectual readiness to participate in public policy discussions arising in business and government contexts;
- An ability to acquire, analyse, evaluate and make use of information, efficiently and effectively.

## ECON214 TUTORIAL PROGRAM

There are 10 tutorials in total. Tutorials will start in week 3. Due to the Public Holiday there will be no tutorial in Week 8 (starting October 4).

The tutorials comprise numerical problems and analytical questions and will be generally available on the Unit website one week before the tutorials. There should be the opportunity to explore issues raised in lectures and to ask questions. The tutorials aim to improve understanding of macroeconomic theory and of the policy debates.

## ASSESSMENT

The components of assessment in this course are as follows:

Mid-Semester Examination	30%	September 13 <sup>th</sup>
Modelling Exercise	15%	due November 1 <sup>st</sup>
Tutorial Exercise	15%	once for each student during Semester
Final Examination	40%	To be advised

The aim of the assessment is as much to help with the learning process, and to give you usable skills and knowledge, as it is for the purpose of grading. We realise that some of you (perhaps all of you) are on a learning curve when it comes to dealing with Economic concepts and models. To learn Economics, you have to learn *how to study* Economics. (It is very different, for example, from the way people learn history or sociology). The Mid-Session examination will help you climb that learning curve. It will contain exactly the style of short answer and multiple choice questions that are typical of Economics generally and our Final Exam in particular. The modelling exercise is similarly designed to prepare you for the Final Exam. It will involve building and animating a Powerpoint diagram (we will show you how to do this) illustrating the basic model taught in the Unit. A similar question will be asked in the Final Exam; the Modelling Exercise will help you prepare for it, and will also give you some useful software skills (again, the purpose of the Assessment is not just to accumulate marks, it's to help you expand your skill set). The Tutorial Exercise more than any other assessment task is devoted to adding to your skills; it is designed to take you out of your comfort zone, with questions that seem disturbingly difficult. They are not nearly so difficult as they seem, but they will take you places (in mathematics for example) in which you might not normally be comfortable. Don't worry, with the help of the tutorials, you soon will be. And you will have made that journey in a situation where the consequences of occasionally getting it wrong are small and never fatal. By the time you reach the Final Examination you will be well prepared for it, and with a greatly expanded set of skills and a confidence in using them.

### 1. Mid-Semester Examination

**30%**

Date: September 13<sup>th</sup> in the lecture.

As noted above, this is really practice for the Final Examination which will contain similar styles of questions (short answer and multiple choice). As long as you make a credible and genuine effort, a low mark here should not worry you too much; you are climbing the learning curve and you will do better next time (however do heed the warning given by your mark in this assessment).

### 2. Modelling Exercise

**15%**

Date Due: November 1<sup>st</sup>

Again, the aim here is the acquisition of useful skills, and to help prepare you for the Final Exam. You will learn how to build and animate a Powerpoint diagram; and the content will help you with a similar compulsory question in the Final Exam.

### 3. Final Examination

**40%**

The Final Exam will be of 2.5 hours duration, and consist of Economics-style short answer questions and multiple choice. Learning how to do an exam of this type is a skill in itself; all the other assessment tasks are designed to help you prepare for this.

#### 4. Presentation

15%

Once in the Semester you will be required to give a short presentation on one of the questions in the tutorial topic for that week. Once again, the aim is on skills acquisition rather than simply as a means of assessing you. Economics hate verbosity; economics answers are short, clear and concise (on average you would be on your feet for five minutes). As well as helping you prepare for the Final Exam, and taking you out of your comfort zone in the types of ideas and concepts that you can deal with, it is also excellent practice (in a non-threatening environment) in addressing small groups, something that will definitely be required in your future employment.

#### Some further notes (and a warning on Assessment):

**Presentations:** The assessment breakdown is designed, firstly, to combine the task of assessment with the task of skills enhancement. As with the ability to express yourself in writing, as discussed above, the ability to express yourself in front of a group is an essential life and employment skill. The ability to do so concisely and clearly is particularly rare. Therefore an essential and very useful component of the Unit is a verbal presentation, as part of a group but individually marked, **once during the Semester** (in tutorials). The presentation must be short – you will have an absolute maximum of **five minutes**. You are invited (but not obligated) to use any of the technologies now available for this purpose, from transparencies, software such as Powerpoint, down to writing on the whiteboard. You have complete freedom in the choice of such technologies, including the right to eschew all such aids, with the only obligation that at least one week's notice is required for use of the Department's laptop computer and projector ('beamer'). The one thing that you must not do is stand reading a prepared speech; summary notes are acceptable (and transparencies and Powerpoint slides serve this purpose well), but if you read verbatim from a previously prepared text then you will be stopped in mid-sentence. Off-the-cuff speaking may be something of which you have already had practice. If not, this is a good opportunity to try it, in a situation where a less than wonderful performance will not lead to your being fired by your employer the next day. In fact, since the length of your presentation is a maximum of five minutes, a presentation entirely without notes is not impossible (and will deeply impress your audience).

The Presentation is typical of our overall assessment philosophy. The assessment breakdown is designed, firstly, to combine the task of assessment with the task of learning – it is designed to give your learning a focus. Secondly, it is structured so that students from any background, Economics or other, will have plenty of warning of the need to concentrate their efforts in order to pass the Unit.

In other words it should be very difficult to fail for students who make a genuine effort. An unseen examination component has always been a key element of assessment in the Faculty of Business and Economics – this is an excellent instrument which I would apply even if it were not required, as the clearest and fairest means of assessing a student's progress in a subject. In this Unit, around half of the unseen exam component is accounted for by the Mid-Semester exam. A poor result here would be received in plenty of time to correct whatever problem has emerged in your study habits, so that you can retrieve the situation by better performance in the other assessments. **Do heed the warnings given by the Mid-Semester exam, and by the other in-semester assessments.** If you do give a poor performance during the semester, but do not heed that warning, then it will be **next to impossible to pass the Unit**. Assessment of your performance in the Unit is not arbitrary. On the contrary, there are a set of clearly identifiable skills and knowledge that you must have in order to pass, and for those who will fail the Unit it will be because they have failed to master, by any fair and objective measure, those skills and that knowledge. You will have plenty of warning, through your performance in tutorials and in the Mid-Semester Exam, that you are in danger of falling into this

group. If you fail to heed those warnings when given to you, there will not be time for any remedial action.

Failure to attend the Mid-Semester or Final Exam without the submission of an Application for Special Consideration, on the grounds of illness or other unavoidable disruption, together with the required supporting documentation, will result in a mark of zero for the assessment.

If you wish to advise of your absence from a Mid-Semester test for reason of illness or other unavoidable disruption you must fill out an Application for Special Consideration. The forms are available from the Student Enquiry Service or online at <http://www.reg.mq.edu.au/Forms/APSCon.pdf>. The completed form with appropriate supporting documentation must be submitted to the Student Enquiry Service, not to the Faculty of Business and Economics.

For absence related to illness you will need to include an EFS Professional Authority Advice Form. Students granted Special Consideration for a missed Mid-Semester exam will not be allowed to sit the Exam at a different time. The value of the Final Exam will be increased on a pro rata basis. Granting of Special Consideration for the Final Exam will permit students to sit for a supplementary examination.

More detail on the policy and required documentation can be found at [http://www.mq.edu.au/policy/docs/s/procedure\\_specialconsideration.htm](http://www.mq.edu.au/policy/docs/s/procedure_specialconsideration.htm)

A 2.5 (2 ½) hour Final Examination for this unit will be held during the University Examination period. You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

The only exception to 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 unavoidable disruption and the special consideration process is available at the policy and required documentation can be found at

[http://www.mq.edu.au/policy/docs/s/procedure\\_specialconsideration.htm](http://www.mq.edu.au/policy/docs/s/procedure_specialconsideration.htm)

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, the final day of the official examination period.

The Academic Senate has a set of guidelines on the distribution of grades across a range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

## **PLAGIARISM**

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at:

<http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

### **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>.

### **FURTHER INFORMATION**

A lecture schedule and other materials will be made available in the first week of semester.

**Alex Blair    Department of Economics 2010**