

ECON1102

Macroeconomics 1

Course Outline

Semester 1, 2017

Part A: Course-Specific Information

Students are also expected to have read and be familiar with **Part B Supplement to All Course Outlines**. This contains Policies on Student Responsibilities and Support, Including Special Consideration, Academic Misconduct, Plagiarism and Key Dates. It also contains the Business School PROGRAM LEARNING GOALS.

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1 STAFF CONTACT DETAILS

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A full list of tutors will be posted on Moodle – Staff Contacts.

1.1 Communications with staff

The Lecturer is responsible for the overall direction and academic content of the course. You should feel free to contact your lecturer about any academic matter. However, I strongly encourage, for efficiency, all enquiries about the subject material be made at tutorials or during consultation time. The lecturers will hold regular office hours starting Week 2 until Week 13.

Questions about administrative matters on tutorials, such as your allocation to a tutorial group or your marks during the session should be directed to the Course Administrator, Neil Hart.

Email is the recommended means of initial communication with the teaching staff for this course. Discussion of course subject material will not be entered into via lengthy emails.

Lecturers will reply to email within 48 hours, except on weekends, with the following provisions:

- The question should require a one (or two) sentence response (maximum). If it takes more, consultation hours are the more appropriate venue.
- We will never answer emails that request information that can be found on the website or the syllabus.
- We will not reply to emails concerning grading. For such matters, consultation hours are more appropriate.
- It is also required by the university policy that you use an UNSW email address:

Our spam filter is set to maximum.

- Always identify yourself and the course code in your email.
- Please do not send attachments of any kind by email unless requested by the lecturers/tutors.
- Please do not submit term work by email unless requested by the lecturers/tutors.

We encourage you to provide course feedback and comments via email, if you wish. Please note that the lecturer has no advance notice of the date and time of the exam.

1.2 Exam Study Period Pitstop

In the weeks leading up to exams, starting from about Week 12, the School will be providing Pitstop, an opportunity for consultation with tutors as you revise for the exams. Details of Pitstop locations and hours for this course will be advised closer to the time.

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lectures begin in Week 1 (27 Feb – 3 Mar 2017) and end in Week 13 (29 May – 2 June 2017)

Tutorials begin in Week 2 (6 – 10 Mar 2017) and end in Week 13 (29 May – 2 Jun 2017). The location of tutorials can be found by viewing your student class timetable by logging into *myUNSW* and selecting the relevant week. You must attend the tutorial in which you have enrolled.

The tutorial program will be available on the Macroeconomics 1 website.

LECTURE STREAM	DAY	TIME	LOCATION	LECTURER
A	Thursday	4:00pm –6:00pm	Physics Theatre	Peter Kriesler
B	Wednesday	6:00pm – 8:00pm	Colombo Theatre A	Stanley Cho

2.2 Units of Credit

The course is worth 6 units of credit. There is no parallel teaching in this course.

2.3 Summary of Course

Macroeconomics studies the aggregate behaviour of the economy. This course provides an introduction to the economic analysis of key macroeconomic variables such as output, employment, inflation, interest rates and exchange rates. The

important elements of the course include; measurement of macroeconomic variables, the development of models and theories to explain the behaviour of macroeconomic variables; use of empirical evidence in evaluating different models and the role of government policy in seeking to influence macroeconomic outcomes.

2.4 Aims and Relationship to Other Courses

Macroeconomics 1 (ECON1102) is offered as part of the first year core in the B.Econ degree and as an option in the B. Com degree. It is a required course for anyone undertaking an economics major. Students are introduced to the study of economics via Microeconomics 1 (ECON1101) which studies decision making by individuals and firms and examines the role of governments in seeking to ensure the efficient operation of markets. Macroeconomics 1 builds on these microeconomic concepts and models to study economic decisions and outcomes and the role of government in the national and international economy. A pass in Microeconomics 1 is a prerequisite for enrolment in Macroeconomics 1. ECON1102 and ECON1101 cannot be taken concurrently. With the exception of Microeconomics 1, no previous study of economics is assumed.

Macroeconomics 1 is a prerequisite for all upper year macroeconomics courses and most other upper level economics courses offered by the School of Economics (i.e. with course codes beginning 2 and 3.) In addition, the concepts, models and approaches developed in Microeconomics 1 and Macroeconomics 1 provide the foundation for business studies in accounting, finance, marketing and management.

2.5 Student Learning Outcomes

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate coursework students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree. You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree.

For more information on the Undergraduate Program Learning Goals and Outcomes, see Part B of the course outline.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed:

Program Learning Goals and Outcomes	Course Learning Outcomes	Course Assessment Item
<i>This course helps you to achieve the following learning goals</i>	<i>On successful completion of the course, you should be able to:</i>	<i>This learning outcome will be assessed in the following items:</i>

1	Knowledge	Locate and interpret macroeconomic data and statistics. Explain macroeconomic concepts and use simple economic models to interpret behaviour of key macroeconomic variables.	<ul style="list-style-type: none"> • Tutorial Worksheets • Tutorial Questions • In-tutorial Tests • Final Exam
2	Critical thinking and problem solving	Identify current economic issue and debates and use models to examine key policy issues.	<ul style="list-style-type: none"> • Tutorial Worksheets • Tutorial Questions • In-tutorial Tests • Final Exam
3a	Written communication	Construct written work which is logically and professionally presented.	<ul style="list-style-type: none"> • In-tutorial Tests • Tutorial Questions
3b	Oral communication	Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> • Tutorial Questions • Tutorial Worksheets
4	Teamwork	Not specifically addressed in this course.	<ul style="list-style-type: none"> • Tutorial Worksheets
5a.	Ethical, environmental and sustainability considerations	Identify and assess environmental and sustainability considerations in problems in international macroeconomics.	Not specifically assessed.
5b.	Social and cultural awareness	Not specifically addressed in this course.	Not specifically assessed.

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW”. These guidelines may be viewed at: www.guidelinesonlearning.unsw.edu.au.

The specific approach to teaching and learning in Macroeconomics 1 is to engage students in the analysis of macroeconomic models and their applications in a relevant and interesting manner. The lectures, tutorials and assessment tasks have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide meaningful and timely feedback to students to improve learning outcomes. With appropriate guidance, students are encouraged to take responsibility for their own learning.

3.2 Learning Activities and Teaching Strategies

The examinable content of the course is defined by the content of the lectures, the designated reading from the textbook (and any other required readings) and the content of the Tutorial Program.

Lectures

The purpose of lectures is to provide a logical structure for the topics that make up the course; to emphasize the important concepts, models and methods of each topic, and to provide relevant examples to which the concepts and methods are applied. *Not all examinable material can be covered in lectures.*

Lecture material is supplemented by required reading of the appropriate parts of the textbook and the material covered in the tutorial program.

Tutorials

The purpose of tutorials is to provide an opportunity for small group discussion of the issues to which economic concepts and methods developed in the lectures can be applied. Attendance at tutorials is compulsory.

Tutorials will be divided into two parts.

Tutorial Worksheets

- In the first half of a tutorial, a worksheet will be distributed to all students by your tutor. Working individually or in small groups you will be able to work on a series of short questions and problems related to the previous week's lecture material. Your tutor will be available – if necessary – to provide assistance with the questions. All students will need to complete and submit their own individual worksheet.
- The worksheets will be collected by your tutor and will be marked; where your mark will primarily reflect the amount of effort that you have put into completing the worksheet.
- Overall the worksheets will count for 10% of your total grade in Macro 1.

Tutorial Questions

- There will be a weekly set of tutorial problems and questions that review and build on the lecture material. These provide applications and examples of economic concepts and models introduced in lectures.
- Ideally you should attempt the set of weekly tutorial questions before each tutorial and use the tutorial to raise any issues or problems that you might have.
- The second half of the tutorial will be devoted to discussing the tutorial problems. You should be prepared to contribute to tutorial discussion.
- Since it may not be possible to cover all of the questions in a tutorial; solutions to the tutorial questions will be posted on the course Moodle site at the end of each week.

The Tutorial Program will be available on the course Moodle site.

On-Line Multiple Choice Quizzes

There will be a number of informal on-line quizzes provided for you to attempt during the session. This will give you the chance to acquire feedback on your progress and understanding of important concepts. There will be no grade attached to these quizzes. The quizzes can be accessed via the course website from the end of Week 3. The purpose of the quizzes is to allow ongoing review of the material covered and provide continuous feedback on your performance.

Out-of-Class Study

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

- Reading of the relevant chapter(s) of the text and any readings **before the lecture**. This will give you a general idea of the topic area.
- Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic should be explained.
- Attending the tutorials and attempting the tutorial questions prior to the tutorial. This will also provide a self-test of your understanding, and identify those parts of the topic with which you have problems.

4 ASSESSMENT

4.1 Formal Requirements

To be eligible for a passing grade in this course, students must:

- achieve a composite mark of at least 50 out of 100;

AND

- make a satisfactory attempt at all assessment tasks. This means attendance at 80% of tutorials.

AND

- Achieve a satisfactory level of performance in the final exam. This usually means a minimum mark of 40 per cent. Any student having an overall mark of 50 or more but less than 40 per cent in the final examination may be given an UF grade (unsatisfactory fail).

4.2 Assessment Details

Assessment Task	Weighting	Length	Due date
Tutorial Worksheets	10%	As required	Weekly
MidSession Exam	30%	40 minutes	Week 7 (10-13 April)

Final Exam	60%	2 hours	University Exam Period
Total	100%		

4.3 Tutorial Worksheets

A total of 10 worksheets will be distributed and collected in tutorials. Your marks on the worksheets will count towards your overall mark for tutorial worksheets. Students should note that 80% attendance is required by UNSW and Business School rules.

4.4 MidSession Exam

During the semester, in Week 7 there will be a midsession exam during your normal lecture times. The exam will require written answers to short-answer questions. The exam will cover all material in the first 6 weeks' lectures.

No notes, lecture or course material or electronic devices will be permitted to be used during the in tutorial test. The questions must be answered in the answer book provided.

Students must sit the midsession exam during their normal lecture time, in the lecture stream in which they are enrolled.

Students whose surname begin with A – L should sit the exam in the first hour of their lecture stream, while those whose surname begin with M –Z should sit in the second lecture hour.

You should make every effort to take the midsession exam. Students who fail to attend the exam will need to apply for Special Consideration.

In cases of serious illness, students will need full and convincing documentation of that illness. All other cases of non-attendance by students will receive a grade of zero. Employment obligations or holiday plans of any kind are not acceptable reasons for absence from any assessment.

Application for special consideration must be **lodged through myUNSW within 3 working days of the assessment**. (Log into myUNSW and go to My Student Profile tab > My Student Services channel > Online Services > Special Consideration). Then submit the originals or certified copies of your completed Professional Authority form ([pdf - download here](#)) and any supporting documentation to Student Central).

Where special consideration for the midsession exam is accepted, students will have their marks pro rated.

4.5 Final Exam

The purpose of the final exam is to assess understanding of the macroeconomic concepts and models introduced in the course and to test the ability to use these to interpret and analyse macroeconomic issues.

The final exam will be held in the University examination period and will be 2 hours in length. It is the student's responsibility to attend the specified exam venue on time. The final exam will cover material from the entire course.

The format of the final exam is multiple choice questions. Further information will be provided at the end of the semester.

4.6 Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential and will not be related to course grades.

5 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's myExperience survey tool is one of the ways in which student evaluative feedback is gathered. You are strongly encouraged to take part in the feedback process.

6 COURSE RESOURCES

6.1 Course website

The Macroeconomics 1 website may be found among others of your courses at: <http://moodle.telt.unsw.edu.au>. The Website contains copies of: all course handouts; lecture slides; the tutorial program; answers to tutorial problems; sample exam questions; additional readings; assessment marks; and announcements. Students should consult this website at least once a week as it contains important information about the course. It will be assumed that all students have seen any notice posted on the course website.

Textbook

The textbook for this course is:

Bernanke B.S., Olekalns, N. and H. R. Frank (2014), *Principles of Macroeconomics*, (4th edition) McGraw-Hill International Book Co., Sydney.

It is feasible to use earlier editions of the textbook (second and third) for most of the topics covered in the course. However there are some changes in the 4th edition from earlier editions, which is related to Chapters 9 and 10 of the current edition. While the

new material will be covered in lectures and tutorials, it may be helpful to have access to the 4th edition for this material.

Supplementary Material

The publishers provide a range of support material for the textbook, including a Study Guide, and a website. Information on accessing this support material is provided in the introduction to the text. While the support material may provide useful additional assistance to your study of the subject matter, *the support material is not required reading*. Students must make their own judgement as to whether accessing and using the support material is worthwhile. The examinable content of the textbook is defined by the Lecture Schedule and the Tutorial Program.

Additional Readings

For some topics students will be required to read material in addition to the textbook. All additional readings will be posted on the Macroeconomics 1 website.

7 COURSE SCHEDULE

Textbook references are to the 4th edition.

7.1 Lecture Schedule

Week	Topic	Reference (Textbook)
Week 1 27 February	Measures of Macroeconomic Performance: Output & Prices	Chapter 1
Week 2 6 March	Saving, Wealth & the Real Interest Rate	Chapter 2
Week 3 13 March	Unemployment & the Labour Market	Chapter 3
Week 4 20 March	Business Cycles A Model of Output Determination - The AE Model	Chapters 4 & 5
Week 5 27 March	The AE Model (continued)	Chapter 5
Week 6 3 April	Fiscal Policy	Chapter 6
Week 7 10 April	MIDSESSION EXAM during lecture times <i>(Friday 14 April is Good Friday public holiday)</i>	
Mid-semester break: Friday 14 – Saturday 22 April inclusive		
Week 8 24 April	No Lectures or Tutorials as Tuesday 25 April is Anzac Day public holiday	

Week 9 1 May	Financial System, Money, Prices & RBA Monetary Policy & the RBA	Chapter 7, 8
Week 10 8 May	A Model of Output & Inflation – The AD-AS Model	Chapter 9
Week 11 15 May	Macroeconomic Policy Open Economy: Exchange Rates	Chapter 10 Chapter 15
Week 12 22 May	Open Economy: Capital Flows	Chapter 16
Week 13 29 May	Economic Growth and Overview	Chapter 11

7.2 Tutorial Schedule

Week (begins)	Tutorial No	Topic	Reference (Textbook)
Week 1 27 February		NO TUTORIALS	
Week 2 6 March	T1	GDP, Inflation & Interest Rates	Chapter 1
Week 3 13 March	T2	Savings & Investment	Chapter 2
Week 4 20 March	T3	Labour Markets, Unemployment and the Business Cycle	Chapter 3 and 4
Week 5 27 March	T4	AE Model	Chapter 5
Week 6 3 April	T5	AE Model (Continued)	Chapter 5
Week 7 10 April	MIDSESSION EXAM during lecture times No Tutorials this week		
Mid-semester break: Friday 14 – Saturday 22 April inclusive			
Week 8 24 April	No Lectures or Tutorials as Tuesday 25 April is Anzac Day public holiday		
Week 9 1 May	T6	Fiscal Policy	Chapter 6
Week 10 8 May	T7	Money, Prices & RBA	Chapters 7 & 8
Week 11 15 May	T8	AD-AS Model and Macroeconomic Policy	Chapters 9 & 10
Week 12 22 May	T9	Open Economy Macroeconomics - Exchange Rates - Capital Flows	Chapters 15 & 16
Week 13 29 May	T10	Economic Growth and Review	Chapter 11

