

# **ECON1102**

## **Macroeconomics 1**

### **Course Outline**

### **Semester 2, 2017**

## **Course-Specific Information**

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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# 1 STAFF CONTACT DETAILS

**Lecturer-in-Charge:** Glenn Otto  
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**Phone:** 9385 3332  
**Email:** [g.otto@unsw.edu.au](mailto:g.otto@unsw.edu.au)  
**Consultation Times:** TBC

**Lecturer:** George Kudrna  
**Location:** E307 in NICTA Bldg (CEPAR, East Wing, Level 3)  
**Phone:** 9385 1446  
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**Consultation Times:** TBC

**Lecturer:** Arusha Cooray  
**Location:** Room 436, UNSW Business School  
**Phone:** 9385 7019  
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**Consultation Times:** TBC

**Course Administrator:** Neil Hart  
**Location:** Room 436, UNSW Business School  
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**Email:** [n.hart@unsw.edu.au](mailto:n.hart@unsw.edu.au)  
**Consultation Times:** TBC

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

## 1.1 Communications with staff

The Lecturer-in-Charge (**Glenn Otto**) is responsible for the overall direction and academic content of the course. You can also contact your lecturer about academic matters. The lecturers in Macroeconomics 1 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. Academic staff will generally reply to email within 48 hours (except on weekends). You should use your UNSW email to contact academics and include your full name and student number in the email.

For detailed discussion of course subject material it may be necessary to attend a lecturer's scheduled office hours.

We encourage you to provide course feedback and comments via email, if you wish. Please note that academics have 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

There are 12 weeks of lectures in the course. Lectures begin in Week 1 (24 – 28 July) and end in Week 12 (16 – 20 October).

LECTURE STREAM	DAY	TIME	LOCATION	LECTURER
A	Thursday	9:00 – 11:00am	Science Theatre	AC
B	Wednesday	12:00 – 2:00pm	Science Theatre	GK/GO
C	Monday	2:00-4:00pm	Science Theatre	GK/GO
D	Thursday	6:00-8:00pm	Ainsworth G03	GK/GO

#### Tutorials

Tutorials begin in Week 2 (31 July – 4 August) and end in Week 13 (23 – 27 October). 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 Moodle.

### 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 Program Learning Goals and Outcomes, see the School's Course Outlines Policies webpage available at

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>.

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"> <li>• Tutorial Worksheets</li> <li>• Tutorial Questions</li> <li>• Mid-Session Test</li> <li>• Final Exam</li> </ul>
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"> <li>• Tutorial Worksheets</li> <li>• Tutorial Questions</li> <li>• Mid-Session Test</li> <li>• Final Exam</li> </ul>
3a	Written communication	Construct written work which is logically and professionally presented.	<ul style="list-style-type: none"> <li>• Mid-Session Test</li> <li>• Tutorial Questions</li> </ul>

3b	Oral communication	Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> <li>• Tutorial Questions</li> <li>• Tutorial Worksheets</li> </ul>
4	Teamwork	Not specifically addressed in this course.	<ul style="list-style-type: none"> <li>• Tutorial Worksheets</li> </ul>
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](http://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 part (15 mins) 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 Website at the end of each week.

The Tutorial Program will be available on the course Website.

### **Multiple Choice Questions**

Multiple choice questions (MCQs) covering the material in each week's topic will be provided. 10% of the marks in the course will be based on your performance in a short weekly MCQ quiz. These quizzes provide feedback on your progress and in your understanding of important concepts. The weekly MCQs are representative of the type of question asked on the final exam.

### **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

### 4.0 You must complete the “Working with Academic Integrity” module on your Moodle site, before you hand in any written work.

- You **MUST** complete the ‘Working with Academic Integrity’ module AND THE MODULE’S QUIZ, found on your course Moodle site, **BEFORE YOU ARE ALLOWED TO SUBMIT ANY WRITTEN ASSESSMENT**.
- If your submission is delayed because you did not complete the module and the quiz, you may be liable to late penalties as specified in your course outline.
- Failing to comply with the University rules of Academic integrity may result in serious consequences:
  - All cases of plagiarism (regardless of their severity) ARE recorded with the University Integrity Office University register.
  - Depending on the level of the plagiarism/misconduct, the penalties may include a FAIL grade for the assessment piece, a FAIL grade for the course, or being expelled for serious/repeat offences.

Any misconduct, including plagiarism, is recorded on your Conduct Record. If you have only one academic misconduct at the lowest level (level A) in your career, then the record is wiped clear when you graduate. Otherwise it remains there permanently. *Many professions, such as accounting and law, require access to the student’s Conduct Record.*

### 4.1 Formal Requirements

In order to pass this course, **you must achieve a composite mark of at least 50.**

There is no requirement to pass each component of assessment in order to pass the course, but achievement of a satisfactory attempt (including scoring at least 40%) on each completed component is a prerequisite for any special consideration request to be considered.

### 4.2 Assessment Details

Assessment Task	Weighting	Length	Due Date
Tutorial Worksheets	10%	As required	Weekly
Play Academia (MCQs)	10%	As required	Weekly
Mid-Session Test	20%	40 minutes	Week 8 (11-15 September)
Final Exam	60%	2 hours	University Exam Period

### 4.3 Assessment Format

#### 4.3.1 Tutorial Worksheets and MCQ

A total of 10 worksheets will be distributed and collected in tutorials. Your highest 8 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.



Short weekly MCQ quizzes will be given through Play Academia. Your performance on these will count for 10% of the total course marks.

#### **4.3.2 Mid-Session Test**

During the semester there will be a mid-session test. See the above table for dates and details. The test will include multiple choice and short-answer questions.

No notes, lecture or course material or electronic devices will be permitted to be used during the mid-session test. The questions must be answered on the answer sheet and booklet provided.

Students must sit the mid-session test in the Lecture Group in which they are formally enrolled. You should make every effort to take the mid-session test. Students who fail to attend the test will need to apply for Special Consideration.

In cases of serious illness, students will need full and convincing documentation of that illness. In all other cases on 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 with 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).

#### **4.3.3 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.

#### **4.3.4 Protocol for viewing final exam scripts**

The UNSW Business School has set a protocol under which students may view their final exam script. Please check the protocol [here](#).

#### **4.4 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.

Feedback for Session 2, 2015 indicated that students felt that the worksheets were taking-up too much time during a tutorial, leaving insufficient time for working through the tutorial questions.

## 6 COURSE RESOURCES

The Macroeconomics 1 website may be found among others of your courses at: <http://moodle.telt.unsw.edu.au>. The Moodle site contains relevant course content including: course outline; lecture slides; links to Echo 360 recordings; tutorial questions and answers; in-session grades; information about accessing the textbook and any other course information and announcement. 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:

Otto, G (2017), *Introduction to Macroeconomics*, e-book. (Lionsheart)

The textbook material has been developed specifically for this course. The examinable content of the textbook is defined by material covered in lectures, tutorials and the MCQs.

Information on accessing the textbook is available on the Moodle site for Econ1102. Students will need to create a new account. From their account, students will be able to purchase the e-book and access to PlayAcademia.

Students who are unable or unwilling to purchase a licence will be able to access the textbook using selected PCs in our on-campus computer lab. Please contact the lecturer-in-charge for details.

### **Optional Readings**

There are a number of introductory textbooks on macroeconomics (with Australian content) that are available in the library.

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

Littleboy, B., Taylor, J. and A. Weerapana (2013), *Macroeconomics: Principles and Practice*, Cengage Learning Australia.

Stiglitz, J., Walsh, C.E., Guest, R. and M. Tani (2014), *Introductory Macroeconomics*, John Wiley.

In response for Session 2 in 2017, the number of questions on a worksheet has been reduced and the time devoted to a worksheet during a tutorial will be kept to a maximum of 15 minutes.

## 7 COURSE SCHEDULE

Chapter references are to the course textbook.

### 7.1 Lecture Schedule

<b>Week</b>	<b>Topic</b>	<b>Reference</b>
<i>Week 1 24 July</i>	<i>GDP and Inflation</i>	<i>Chapter 1</i>
<i>Week 2 31 July</i>	<i>Labour Market Data and Models</i>	<i>Chapter 2</i>
<i>Week 3 7 August</i>	<i>Saving, Investment and Interest Rates</i>	<i>Chapter 3</i>
<i>Week 4 14 August</i>	<i>Income-Expenditure Model of Output</i>	<i>Chapter 4</i>
<i>Week 5 21 August</i>	<i>The I-E Model (continued)</i>	<i>Chapter 4</i>
<i>Week 6 28 August</i>	<i>Fiscal Policy and Public Debt</i>	<i>Chapter 5</i>
<i>Week 7 4 September</i>	<i>Money and Private Banks</i>	<i>Chapter 6</i>
<b>Week 8 11 September</b>	<b>Mid-Session Test (Held during your Lecture Time)</b>	
<i>Week 9 18 September</i>	<i>Central Banks and Monetary Policy</i>	<i>Chapter 7</i>
<b>Mid-Semester break: 25 September - Monday 2 October (inclusive)</b>		
<i>Week 10 2 October</i>	<b>(Monday 2 is Public Holiday)*</b> <i>A Model of Output &amp; Inflation – The AD-AS Model</i>	<i>Chapter 8</i>
<i>Week 11 9 October</i>	<i>Exchange Rates and the Open Economy</i>	<i>Chapter 9</i>
<i>Week 12 16 October</i>	<i>Economic Growth</i>	<i>Chapter 10</i>
<i>Week 13 23 October</i>	<b>NO LECTURES</b>	

\* Students enrolled in Lecture Group C (Monday 2-4) should attend one of the other lecture groups during this week.

## 7.2 Tutorial Schedule

<b>Week (begins)</b>	<b>Tutorial No</b>	<b>Topic</b>	<b>Reference</b>
Week 1 24 July		<b>NO TUTORIALS</b>	
Week 2 31 July	T1, W1	GDP & Inflation	Chapter 1
Week 3 7 August	T2, W2	Labour Market Data and Models	Chapter 2
Week 4 14 August	T3, W3	Saving, Investment & Interest Rates	Chapter 3
Week 5 21 August	T4, W4	Income-Expenditure Model	Chapter 4
Week 6 28 August	T5, W5	IE Model (continued)	Chapter 4
Week 7 4 Sep	T6, W6	Fiscal Policy and Public Debt	Chapter 5
Week 8 11 Sep	<b>Mid-Session Test Week (No tutorials)</b>		
Week 9 18 Sep	T7, W7	Money and Banking	Chapter 6
<b>Mid-semester break: Saturday 25 September - Monday 2 October inclusive</b>			
Week 10 3 October	T8	<b>(Monday 2 is Public Holiday) *</b> Central Banks and Monetary Policy	Chapter 7
Week 11 10 October	T9, W8	AD-AS Model	Chapter 8
Week 12 17 October	T10, W9	Exchange Rates and the Open Economy	Chapter 9
Week 13 24 October	T1, W10	Economic Growth	Chapter 10

\* Students enrolled in a Monday Tutorial may attend another tutorial group for this week (only). There is no worksheet for this week's tutorial.