

ECON2102

Macroeconomics 2

Course Outline

Semester 2, 2012

Part A: Course-Specific Information

Note: Students are also expected to have read and be familiar with **Part B Supplement to All Course Outlines**, which contains Policies on Student Responsibilities and Support, including Special Consideration, Plagiarism and Key Dates.

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1 CONTACT DETAILS

Lecturer-in-charge: Professor James Morley
Room: ASB 434
Phone No: 9385 3366
Email: james.morley@unsw.edu.au
Consultation Hours – Wednesdays 1:00-3:30

A full list of tutors will be posted on the Course Website in Blackboard.

1.1 Communications

Email correspondence on administrative matters (e.g. advising inability to attend tutorial) will generally be responded to on the day of consultation hours unless it requires a more timely response. To anticipate a common question, the date or time of the final exam is unknown at the beginning of the course. However, the details will be posted on Blackboard as soon as they are known.

It is strongly encouraged that all questions about course material be asked in lectures or tutorials or during consultation hours. A discussion board will also be set up on Blackboard.

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lectures run from Week 1 to Week 12. The time and location is:
Wednesday 11am-1pm, Central Lecture Block 7

Tutorials run from Week 2 to Week 13. If you have a Monday tutorial, you should attend an alternative tutorial session in Week 11 due to the holiday. A full list of tutorials, times, and tutors will be available on Blackboard.

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

This course examines the macroeconomic phenomena of economic growth, unemployment, inflation, and business cycles. It will cover the core theories and models developed by economists to understand these phenomena and consider the possibilities and limitations of macroeconomic policies in affecting them.

2.4 Aims and Relationship to Other Courses

The course aims to provide students with:

- The ability to use economic tools to address macroeconomic policy questions
- An understanding of the different ways in which economic policy issues can be tackled and the way in which economic policies affect economic performance

- An understanding of issues such as the causes of economic growth and the role of government in the economy.

This course is offered as part of the economics stream in the B.Com and B.Econ degrees. Because ECON1102 and ECON1102 (Microeconomics I and Macroeconomics I, respectively) provide a broad introduction to economic analysis, they are the natural prerequisites for ECON2102. ECON2102 is a prerequisite for more advanced macroeconomics courses such as ECON 3104 International Macroeconomics.

2.5 Student Learning Outcomes

On completion of the course, students should be able to:

1. Explain the assumptions and structure of standard models in macroeconomics
2. Analyze and manipulate simple versions of these models
3. Apply the models to interpret and analyze real problems in macroeconomics
4. Display knowledge of key institutions and important policy issues in the macroeconomy

Graduate Attributes

This course contributes to your development of the following Australian School of Business Graduate Attributes, which are the qualities, skills and understandings we want you to have by the completion of your degree.

Course Learning Outcomes	ASB Graduate Attributes
1,2,3,4	1. Critical thinking and problem solving
1,3	2. Communication
NA	3. Teamwork and leadership
4	4. Social, ethical and global perspectives
1	5. In-depth engagement with relevant disciplinary knowledge
3,4	6. Professional skills

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. Specifically, the lectures, tutorials, and assessment 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 outcome.

Because understanding and using economic models is such a fundamental component of economics, a considerable part of this course is devoted to systematically working through key macroeconomic models. The best way to gain a deep understanding of these models is by working through the models yourself using a pen and paper. Look at the equations and write them out (or draw the diagrams). Note what variables enter into the models and make sure you can provide an intuitive explanation as to why they are there. Think about the assumptions used in the model and ask why they are used. Look at how the model is solved and then look at the solution and see if it makes economic sense. It usually takes time to build-up these skills so it is good practice to begin early in the session and do a little at a time. In the lectures, we will work through key models, however the tutorial exercises and the problem sets will give you practice at working with economic models and help you acquire the necessary skills.

3.2 Learning Activities and Teaching Strategies

The examinable content of the course is defined by the references given in the Lecture Schedule, the content of Lectures, 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 and methods of each topic, and to provide relevant examples to which the concepts and methods are applied. Lecture slides can be downloaded from Blackboard prior to each lecture.

Tutorials

Tutorials are an integral part of the subject. They will be devoted to examining the structure of standard macroeconomic models of the economy and to learning how to analyze and interpret such models. Tutorial problem sets will be provided for each week's tutorial via Blackboard and will build on the material discussed in class by the lecturer.

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 **before the lecture**. This will give you a general idea of the topic area.
- Attendance at lectures. Here the context of a topic in the course and the important elements of the topic are identified. The relevance of the topic will be explained.
- Attending tutorials and attempting the tutorial questions.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you 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 (9 out of 12) and a mark of at least 40% in all assessment items.
- Achieve a satisfactory level of performance in the final exam. This means a minimum mark of 40 per cent. Any student having an overall mark of 50 or more but less than 46 per cent in the final examination will be given an UF grade (unsatisfactory fail).

4.2 Assessment Details

Assessment Task	Weighting	Learning Outcomes assessed	ASB Graduate Attributes assessed	Length	Due Date
Tutorial Participation	10%	2,3	1,2,5	As necessary	Weeks 2-13
Assignment 1	15%	2,3,4	1,2,4,5,6	As necessary	Week 5 13/8
Assignment 2	15%	2,3,4	1,2,4,5,6	As necessary	Week 10 24/9
Final Exam	60%	1,2,3,4	1,2,5	2 hours	University Exam Period

4.3 Tutorial Participation

Tutors will mark attendance in tutorials. **Students should note that** 80% attendance is required by UNSW and ASB rules. Attendance at 9 of 12 tutorials will be deemed as meeting this requirement. Please note that, in certain circumstances, such as where a request for special consideration is made in relation to assessment items, tutorial attendance will be taken into account in determining your final assessment or whether special consideration is granted.

Students must sign on by 10 minutes from the start of tutorial to qualify as 'in attendance'. Signing on for another student will be treated as misconduct. If, owing to illness or other exceptional circumstances, you are unable to attend your usual tutorial, you may try to attend another tutorial in the same week. However, you are required to attend your usual tutorial class at least 9 times during the session. This allows for occasional absence due to minor illness and other reasons, hence special consideration applications will not reduce this requirement.

Tutorial problem sets are assigned for each week, and students are required to submit answers to their tutor at the beginning of tutorial. The problem sets will be discussed in the tutorial. Tutors will normally record the answers as "satisfactory", "excellent", or "not satisfactory"— they will not mark the problem sets in detail. However, two times during the semester, and without advance notice, the problem sets will be marked in detail, and marks will be recorded. The best of these two problem sets will count additionally towards the tutorial participation mark, but both will also count towards the required number of "satisfactory" or "excellent" answers.

Tutorial Attendance and Assessment

	Submission/attendance record	
0	Attendance at less than 9 tutorials or submission of “satisfactory” or “excellent” answers for less than 6	
4	Attendance at 9 or more tutorials and 6-12 answers “satisfactory” or “excellent”	
6	Attendance at 9 or more tutorials and 9-12 answers “excellent”	
+0-4	Best of two problem sets marked in detail	
10	Total possible marks	

As this component of assessment is worth less than 20%, special consideration does not apply to any of the components of tutorial assessment.

4.4 Assignments

The two assignments are designed to provide practical experience with analysing simple models and using data to evaluate various models in macroeconomics. Details will be provided in lectures and on Blackboard.

4.4.1 Submission Procedure for Assignments

Each assignment must be submitted electronically by 8:59am on the Monday of the week that the assignment is due. There will be no hard copy submission. The electronic copy is to be submitted to the course website. Instructions will be available on the website. Browse in Blackboard and upload a copy of your document - do not paste text. Use your student ID in the file name. All electronic copies of essays will be checked for plagiarism on the Turnitin software into which they are uploaded. See notes on Plagiarism below and also note that the Turnitin software will automatically check against all other assignments submitted.

4.4.2 Late Submission of Assignments

20% of the value of each assignment will be deducted for each day (24 hours) or part thereof which the electronic copy of an assignment is submitted to the course website after the deadline.

Special consideration does not apply to late submission of assignments. You will have many weeks to do each assignment and it is your risk if you leave it to the last few days to complete.

4.5 Final Exam Format

The final exam will be held during the University examination period with the date and time determined by the University. It will cover materials covered in lectures and tutorials and will have the following structure:

Part A: Multiple-choice questions (40%)

Part B: short-answer questions and/or problems (60%)

The final exam will test the ability of students to explain the assumptions and structure of standard models in macroeconomics and to analyze simple versions of these models. In addition students will need to be able to apply models to interpret and analyze real problems in macroeconomics. The questions will also test knowledge of important policy issues in the macroeconomy.

Sample exam questions will be provided on Blackboard in Week 12.

4.6 Quality Assurance

The ASB 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 ASB 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 Course and Teaching Evaluation and Improvement (CATEI) Process 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

The website for this course is on UNSW Blackboard at:
<http://lms-blackboard.telt.unsw.edu.au/webapps/portal/frameset.jsp>

The textbook(s) for this course are:

Macroeconomics: Second Edition (2011), Charles Jones, W.W. Norton & Company, New York

The textbook can be purchased from the UNSW bookshop. We will cover most of the material in this book during the course.

The examinable content of the textbook is defined by the lecture schedule and the tutorial program.

7 COURSE SCHEDULE

7.1 Lecture Schedule

Lectures start in Week 1 and finish in Week 12.

LECTURE SCHEDULE		
Week	Topic	Reference
Week 1 16 - 20 Jul	Overview and Neoclassical Model of Aggregate Production	Jones Chapters 1-4
Week 2 23 - 27 Jul	Solow-Swan Model of Economic Growth	Jones Chapter 5
Week 3 30 Jul - 3 Aug	Endogenous Growth	Jones Chapter 6
Week 4 6 - 10 Aug	Unemployment and Inflation	Jones Chapters 7-8
Week 5 13 - 17 Aug	Business Cycles and the GFC	Jones Chapters 9-10
Week 6 20 - 24 Aug	The IS Curve	Jones Chapter 11
Week 7 27 - 31 Aug	Monetary Policy and the Phillips Curve	Jones Chapter 12
Mid-Session Break: Week 3 - 7 September		
Week 8 10 - 14 Sept	The AS/AD Model and the GFC	Jones Chapters 13-14
Week 9 17 - 21 Sept	Aggregate Consumption and Investment	Jones Chapters 15-16
Week 10 24 - 28 Sept	Fiscal Policy	Jones Chapter 17
Week 11 2 - 5 Oct	Exchange Rates	Jones Chapters 18-19
Week 12 8 - 12 Oct	Concluding Thoughts and Review	Jones Chapter 20
Week 13 15 - 19 Oct	NO LECTURES	

7.2 Tutorial Schedule

Tutorials start in Week 2 and finish in Week 13. Tutorial problem sets will be provided for each week's tutorial via Blackboard.

If you have a Monday tutorial, your attendance in another tutorial will be counted in Week 11 only.