**Mode of Delivery** | On campus  
---|---  
**Prerequisites** | As listed in Programs and Courses  
**Incompatible Courses** | As listed in Programs and Courses  
**Co-taught Courses** | None  
**Course Convener:** | Dr. Timothy Kam  

**Email:** timothy.kam@anu.edu.au  
*Caveat emptor:* Due to the size of this course, I will likely not get to read your emails.  
The best way to get quick response and feedback from me is via the WATTLE forum. Otherwise, please come and see me during the Student Consultation Hours.

**Student Consultation Hours:** Friday 4-6pm  
Other daily walk-in office hours listed on WATTLE.

**Research Interests** | Macroeconomic Theory and Policy, Monetary Economics, Computational Economics

**Course Contact** | Mr. Jamie Cross  
**Phone:** +61 2 612 58109  
**Email:** j.cross@anu.edu.au  
**Lecturer(s):** Timothy Kam  
**Phone(s):** Use WATTLE forum please  
**Email(s):** Use WATTLE forum please  
**Office hours for student consultation:** Daily. See WATTLE.

**Head Tutor** | Mr. Jamie Cross. Contact him in the first instance for all course-related inquiries.

This Outline will be superseded by its official version on WATTLE. Enrolled students should rely on the latter for policies and on WATTLE for weekly task updates. This version: February 2, 2017, 06:11 (AEST)
COURSE OVERVIEW

Course Description

On average why is each generation of people “better off” than its predecessors? Why do some nations catch up in economic well being, while others are persistently poor? What drives poverty and inequality of living standards? What is inflation? What is unemployment? What is the business cycle and why do we care about these measures of the business cycle? Are they socially costly? How do statisticians and economists measure these realities? How do we logically think about what drives these measurable economic outcomes? How do banking, finance and information play a role in these outcomes? What about politics? What is an exchange rate? How do we understand international finance? What role do economic policies play in these various economic issues? What are these policies and how are they conducted? Can we improve on these policies? How do we think about major Recessions and economic crises? What are the long terms policy issues that we should care about? These are very big and varied questions. These issues not only matter for the keen student of economics, but they also affect the lifetime opportunities and decisions of businesses, policy makers and the individual person: You and the generations that will come after you.

This course will introduce you to some of the language in mainstream Macro-economics, and it will hopefully give you an appreciation for how one attempts to measure, understand, explain and control the reality of economies as a whole. In order to analyze and understand a given macroeconomic reality, and in order to hopefully make useful predictions or policy prescriptions, we need to learn to think within a logical paradigm—i.e. some postulated economic model(s). Once we learn how these baseline paradigms behave, we can step outside of these “boxes” to critique some of their deficiencies. We will also discuss how economists consider alternative solutions and modes of thinking. This course will be presented at a level suitable for the novice with an aptitude for critical and analytical thinking, and also for the general student who is prepared for a serious intellectual challenge—i.e., the future leaders, thinkers and doers from ANU.

Learning Outcomes

At the completion of this course, students should be able to:

1. Understand some core models used by macroeconomists, in particular the long-run growth model and the business-cycle AS/AD-model and the connection between the two;
2. Apply the core models to real-world policy case studies and empirical case studies;
3. Discuss the usefulness and limitations of these models;
4. Explain and understand some of the associated empirical implications and policy issues;
5. Critically read and understand many newspaper and magazine articles covering current economic events; and
6. Have a brief overview of some of the institutional features of the Australian economy and some overseas economies.
## Assessment Summary

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Due Date</th>
<th>Feedback</th>
<th>Linked Learning Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pre-tutorial Tests</td>
<td>5%†</td>
<td>Saturdays, 5pm</td>
<td>Real-time feedback on WATTLE</td>
<td>1-4</td>
</tr>
<tr>
<td>2. Tutorial Participation</td>
<td>5%†</td>
<td>N/A</td>
<td>Meeting with tutor</td>
<td>1-6</td>
</tr>
<tr>
<td>3. Tutorial Tests (×2)</td>
<td>20%†</td>
<td>Random tutorial</td>
<td>Post-mortem on WATTLE</td>
<td>1-6</td>
</tr>
<tr>
<td>4. Final Examination</td>
<td>70%-100%</td>
<td>ANU Exam Period</td>
<td>None</td>
<td>1-6</td>
</tr>
</tbody>
</table>

**WARNING:** The table above is merely a short summary. You MUST READ the ASSESSMENT REQUIREMENTS section further below.

## Research-Led Teaching

Some of the skillsets, major questions, insights and case studies learned in this course relate directly to the frontier work your instructor and his colleagues are engaged in. In particular, this teaching team’s emphasis on physical presence of students in intellectual discourse, self-disciplined learning, critical and research-like independent thinking is designed to encourage students to become leaders in their own future spheres who are capable of tackling new and challenging issues. Your instructor is an active researcher in the fields of Macroeconomics and Monetary Economics. He publishes regularly in the leading journals of his fields. He is also a regular visitor and contributor to leading policy institutions around the world, such as the U.S. Federal Reserve Bank system, the Reserve Bank of New Zealand, Bank of Japan, and the Hong Kong Monetary Authority. He currently serves as Treasurer and Chief Technology Officer of the not-for-profit Australasian Macroeconomics Society, and, as the convenor of Australia’s leading 4-th-year Honours in Economics program.

## Feedback

### Staff Feedback

- **Weekly Tutorials, Pre- and In-tutorial Activities.**
  - To maximize your experience and feedback on your progress, please attempt all the tutorial exercises before attending tutorials. Additionally:
    - Your Pre-tutorial Preparation will be assessed as a means of rewarding ongoing learning: You will be rewarded with marks if you successfully complete weekly pre-tutorial assessments on WATTLE.
    - Your In-tutorial Participation will be assessed as a means of rewarding ongoing learning, sharing of knowledge, and reinforced learning through communication and sharing.

- **Lecturer and Tutor Office Hours.**
For maximal value, you should have read the relevant materials (textbook, lecture slides) and attempted problems, before turning up to office hours with questions. If you have any difficulties, please do not hesitate to come and see us; and do not wait until the end of semester to do so. The teaching team is there to assist your learning and also to ensure that your university experience continues to be a fun and rewarding one!

- **Tutorial Preparation, Participation and Feedback.**
  - Answers to these activities and general discussions relating to how you understood the material tested will be provided in class.

- **In-class Tests Post-mortem.**
  - We will also dissect the material tested in this component of the course assessment.

- **WATTLE Forum.**
  - Feel free to post short questions related to the course material on WATTLE Forum. The usual internet etiquette applies. The teaching team may answer your questions occasionally. However, please reserve long queries to physical office hours, as we can best help you there.

**Student Feedback**

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to

http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/

**Policies**

ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University's academic standards, and implement them. You can find the University's education policies and an explanatory glossary at: http://policies.anu.edu.au/

Students are expected to have read the Academic Misconduct Rule before the commencement of their course.

Other key policies include:

- **Student Assessment (Coursework)**
- **Student Surveys and Evaluations**
Required Resources


by Hubbard, Garnett, Lewis and O’Brien (a.k.a. “HGLO”)

with MyEconLab (and Learning Catalytics) online.

Note: You can either get the Value Pack with hard-copy Textbook, MyEconLab and eBook bundle, or, just the eBook with MyEconLab bundle. Contact the ANU Co-Op Bookstore for more information.

For students with financial constraints, we have arranged for equity access licences to MyEconLab and Learning Catalytics so that you are not disadvantaged, should you wish to rely on these tools. Please contact the Head Tutor for more information.

Useful references (non-prescribed):


If you cannot afford a personal copy of the textbook, copies are available from the ANU Library’s 2-Hour Reserve listing.

Other readings on the side:

– Various real-time blogs, news, articles, and policy reports, to be introduced during the course on WATTLE forum.

Field trips

Weekly participation in intellectual discourse in lectures and tutorials is an increasing sequence of life-transforming mental field trips.
Additional course costs
This is an economics course, and students should expect to understand the crucial nature of finite resources (e.g., time), trade-offs (e.g., intertemporal trade-offs), and incentives. You will incur some major opportunity costs in this course, such as short-term gains from current employment wants, excess sleep, and travel. In return, if you put in serious time and effort to show up and to master the material in the course, you stand to reap greater future rewards.

Examination material or equipment
To be announced on WATTLE at the opportune time.
## Recommended Resources

### COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Week/Session</th>
<th>Summary of Activities (Feb 20 - Apr 1)</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Reading assignment: HGLO Ch. 2, 3, 4; (*)</td>
<td></td>
</tr>
</tbody>
</table>
| 1            | • The Big Picture: Empirical and Policy Questions; Measurement  
• Workshop on very basic analytical and quantitative skills  
• Reading assignment: HGLO Ch. 2, 3, 4; (*) |            |
| 2            | • Measuring Reality: Economic Growth, Finance, Business Cycles  
• Reading assignment: HGLO Ch. 5; (*)  
• Tutorial classes begin this week. |            |
| 3            | • Explaining Reality: Sources and Policies; A Very Simple Model; Institutions and Politics  
• Reading assignment: HGLO Ch. 6; (*) | Task 1 |
| 4            | • Reality and Institutions: Measuring Unemployment  
• Reading assignment: HGLO Ch. 7; (*) | Task 1, 2 and 3 |
| 5            | • Reality, Institutions and Conjectures: Measuring Inflation  
• Reading assignment: HGLO Ch. 8; (*) | Task 1, 2 and 3 |
| 6            | • Aggregate expenditure, National Accounting, and Output  
• Reading assignment: HGLO, Ch. 9; (*) | Task 1, 2 and 3 |

**Semester 1 Teaching Break (April 3-18)**

**WARNING**: The schedule above may be subject to variations during the semester. Keep up with the [WATTLE Lecture Log (*)](#).
<table>
<thead>
<tr>
<th>Week/Session</th>
<th>Summary of Activities (Apr 19 - May 26)</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>A simple AD-AS framework for thinking</td>
<td>Task 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td>Reading assignment: HGLO, Ch.10; (*)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Getting Your Hands Dirty: Monetary Policies</td>
<td>Task 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td>Reading assignment: HGLO, Ch.11, 12; (*)</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Getting Your Hands Dirty: Monetary Policies; Fiscal Policies</td>
<td>Task 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td>Reading assignment: HGLO, Ch.12, 13; (*)</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>International Finance</td>
<td>Task 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td>Reading assignment: HGLO, Ch.14,15; (*)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Applying and Extending Our Knowledge: Big Recessions and Financial Crises</td>
<td>Task 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td>Reading assignment: (*)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Summary and Woodshed Session(s)</td>
<td>Task 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td>Reading assignment: (*)</td>
<td></td>
</tr>
</tbody>
</table>

**Examination Period**

**WARNING:** The schedule above may be subject to variations during the semester. Keep up with the WATTLE Lecture Log (*).

**ASSESSMENT REQUIREMENTS**

The ANU is using Turnitin to enhance student citation and referencing techniques, and to assess assignment submissions as a component of the University’s approach to managing Academic Integrity. For additional information regarding Turnitin please visit the ANU Online website.

Students may choose not to submit assessment items through Turnitin. In this instance you will be required to submit, alongside the assessment item itself, copies of all references included in the assessment item.
**Assessment Tasks**

Assessment Tasks 1, 2 and 3 are spread out throughout the semester. These are redeemable against your final examination mark which by default attracts 100% of the course mark.

**Assessment Task 1: Pre-tutorial Tests**

Short weekly tests on WATTLE with a total maximum mark of 5% (out overall course mark) over the semester.

**Details of task:** Each weekly assessment

- begins in Week 3 from the start of Semester 1 lessons;
- is open for submissions by every Wednesday 5pm and closes by 5pm on Saturday of the same week;*
- comes with real-time and detailed feedback on WATTLE on your submitted answers;
- is redeemable against your final examination mark.†

**Assessment Task 2: Tutorial Participation**

Weekly in-tutorial active participation (NOT attendance) mark with a maximum of 5% of the overall course mark. To do well in this component, you should spend time before each tutorial, read the week’s material, work out and write down your solutions to the tutorial problem set clearly (as if you were sitting in the final examination).

**Details of task:** Each weekly tutorial participation assessment

- begins in Week 4 from the start of Semester 1 lessons.
- encourages team-based work and communication (essential skill for the future leader) and reinforces your understanding of the subject by getting you to communicate what you think you understand;
- assesses you on your contribution to class discussions and the substance of your contribution (i.e., evidence of your understanding of the subject);
- is awarded by a tutor subject to the tutor’s best judgment of a student’s substantive contribution to class discussions—a tutor reserves the right to award a mark of zero;
- is not based on class attendance;
- may not apply if there is an in-tutorial test (Assessment Task 3) that week; and
- is redeemable against your final examination mark.†

**Assessment Task 3: Random-week In-tutorial Tests**

TWO in-tutorial tests applied at randomly selected weeks worth a maximum total of 20%.
Details of task: Each in-tutorial test

- may only begin from Week 4 from the start of Semester 1 lessons, or thereafter;
- is designed to test your mastery of the subject at the point in time;
- may include material taught in any other preceding weeks;
- is redeemable against your final examination mark.†

Notes:

* Deadlines are NON-NEGOTIABLE and students bear the full responsibility of meeting these deadlines. Deadlines are defined by Australian Eastern Standard (Canberra) Time as determined on the WATTLE server.

† “Redeemable” implies it is optional. However, you are encouraged to attempt it seriously to maintain a consistent learning experience and make your journey toward the final examination less stressful.

Examination

Final Examination (70% - 100%). Completion of the final examination is necessary for a successful completion of the course. If all semester-long assessment tasks are

Extensions and penalties

Extensions and late submission of assessment pieces are covered by the Student Assessment (Coursework) Policy and Procedure.

The Course Convener may grant extensions for assessment pieces that are not examinations or take-home examinations. If you need an extension, you must request it in writing on or before the due date. If you have documented and appropriate medical evidence that demonstrates you were not able to request an extension on or before the due date, you may be able to request it after the due date.

No submission of assessment tasks without an extension after the due date will be permitted. If an assessment task is not submitted by the due date, a mark of 0 will be awarded.

This course does not entertain requests for extension on redeemable assessment items.

Scaling

Your final mark for the course will be based on the raw marks allocated for each of your assessment items. However, your final mark may not be the same number as produced by that formula, as marks may be scaled. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.
Privacy Notice

The ANU has made a number of third party, online, databases available for students to use. Use of each online database is conditional on student end users first agreeing to the database licensors terms of service and/or privacy policy. Students should read these carefully.

In some cases student end users will be required to register an account with the database licensor and submit personal information, including their: first name; last name; ANU email address; and other information.

In cases where student end users are asked to submit content to a database, such as an assignment or short answers, the database licensor may only use the students content in accordance with the terms of service including any (copyright) licence the student grants to the database licensor.

Any personal information or content a student submits may be stored by the licensor, potentially offshore, and will be used to process the database service in accordance with the licensors terms of service and/or privacy policy.

If any student chooses not to agree to the database licensors terms of service or privacy policy, the student will not be able to access and use the database. In these circumstances students should contact their lecturer to enquire about alternative arrangements that are available.

Tutorial Seminar Registration

Tutorial signup for this course will be done via the Wattle website. Detailed information about signup times will be provided on Wattle or during your first lecture. When tutorials are available for enrolment, follow these steps:

1. Log on to Wattle, and go to the course site
2. Click on the link ‘Tutorial enrolment’
3. On the right of the screen, click on the tab ‘Become Member of . . . .’ for the tutorial class you wish to enter
4. Confirm your choice

If you need to change your enrolment, you will be able to do so by clicking on the tab ‘Leave group.…’ and then re-enrol in another group. You will not be able to enrol in groups that have reached their maximum number. Please note that enrolment in ISIS must be finalised for you to have access to Wattle.

SUPPORT FOR STUDENTS

The University offers a number of support services for students. Information on these is available online from http://students.anu.edu.au/studentlife/