

ECON1102

Macroeconomics 1

Macroeconomics is concerned with the operation of the economy as a whole, with attention paid to such things as unemployment, inflation, and interest rates, determination of the level of national income, savings and investment, and the exchange rate and the current account of the balance of payments. The course develops a consistent model of the economy to explore the interactions of key macroeconomic markets and variables and to examine the impacts of different kinds of shocks to the economy and the role of government budgetary and monetary policy in influencing the level of economic activity.

Mode of Delivery	On campus, lecture and tutorial based
Prerequisites	Completion of, or concurrent enrollment in, Econ 1101 – Microeconomics 1
Incompatible Courses	As listed in Programs and Courses
Course Convener and Lecturer	Dr. Cameron Gordon 
Phone	(02) 6125 4544
Email	cameron.gordon@anu.edu.au
Lecture Times	Tuesday 10- 12; Wednesday 1-2, Llewellyn Hall
Office hours for student consultation	TBA, Arndt Building 2019
Research Interests	Public Economics, Political Economy, Transport Economics, Economic History, Infrastructure Finance
Relevant administrator	Nicole Millar / School Office
Administration	enquiries.rse@anu.edu.au www.rse.anu.edu.au/students

SEMESTER 2
2018

<http://programsandcourses.anu.edu.au/course/ECON1102> and [Wattle](#)

COURSE OVERVIEW

Course description

This is a class about macro-economics; that is, the economy as a whole. It differs from micro-economics which focuses on components of the economy. And it also differs from micro-economics in assuming that the whole of an economy may not always behave like the sum of the parts, especially in the short-run. Key macroeconomic policy and economic questions and ideas we will cover include: National Income Accounting; economic productivity and growth across a national or regional economy; management of the business cycle through fiscal and monetary policy tools; Aggregate Demand and Aggregate Supply models; and tools to measure and monitor a macro-economy. This course will take an economic history approach, starting by looking at the Great Depression of the 1930s (which rightfully can be said to have given birth to the field) and going on to other key historical episodes up to the present day as illustrations of macroeconomics in practice. We will also examine the way macroeconomic thought has evolved, especially in response to real-world events. Macroeconomics is very much a field in which failure of models in the field often leads to rather quick re-thinking and re-formulation of ideas.

Learning Outcomes

Upon successful completion of the requirements for this course, students should be able to:

- Understand the differences and relationship between macroeconomic theory and microeconomic theory
- Describe the main policy instruments used to mitigate and manage business cycles, especially recession and boom
- Explain the limitations of government macro-intervention and the differences between monetary and fiscal policy, as well as how they are best used together
- Understand and use basic macro-economy models, especially aggregate supply and demand frameworks
- Understand the relationship between the real and financial sectors of the economy especially as they pertain to business cycles
- Understand and use basic macro-economy models, especially aggregate supply and demand frameworks
- Analyse the dynamics and trade-offs between price inflation and unemployment

Assessment Summary

The table below contains the proposed assessment schedule. Details about assessment may change during the first two weeks of semester. If there are any changes to the assessment schedule these will be posted in Wattle.

Assessment item	Description	Value	Due date	Date for Return of Assessment
2 take-home assignments	Take-home tasks involving problem-solving questions and analysis.	15% for first assignment, 15% for second, both compulsory and non-redeemable (30% total)	Week 4 and Week 10	ASAP
2 online quizzes	60 minutes each, administered through Wattle	10% for the first, 10% for the second, both compulsory and non-redeemable (20% total)	Week 6 and Week 8 approximately	ASAP

Final examination	180 minutes with 30 minutes reading time	50%, compulsory and non-redeemable	Final examination period	ASAP
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Research-Led Teaching

The course will cover recent research in the area of macroeconomics. Recent papers on fiscal and monetary policy, inflation and unemployment, among other topics, will be provided in Wattle, often as suggested optional readings. When feasible the main findings of those papers will be discussed in class. The lecturer in charge of this course has research interests in economic history, public economics, political economy, and financial crisis as well as transport and infrastructure economics and has published papers in top international journals.

Workload

Students taking this course are expected to commit at least 11 hours a week to completing the work. This will include:

- 3 hours a week: lecture
- 1 hour a week: tutorial
- At least 7 hours a week: reading, research, writing, lecture and tutorial preparation

Course delivery

The Pass component of Macroeconomics 1 (ECON1102) consists on three hours of lecture and a one-hour tutorial per week (see the timetable for details on dates, times and locations). Tutorial meetings start in week 2 (See tutorial registration details below).

- *Lectures*: It is expected that students attend lectures whenever possible and come prepared to them. The handouts for each topic (primarily PPTs) will be available before the lectures in Wattle. The relevant references are included in the last page.
- *Tutorials*. It is expected that students prepare for tutorials in advance and come ready to answer questions about the problems assigned for each week's tutorial. The details about tutors are available in the contacts section and more detailed information about tutorials can be found in the folder "Tutors and tutorials" in Wattle.

Co-teaching

Please contact the administrative office for further guidance.

Announcements

Students are expected to check the Wattle site for announcements about this course, e.g. changes to timetables or notifications of cancellations. Notifications of emergency cancellations of lectures or tutorials will be posted on the door of the relevant room.

Feedback

Staff Feedback

Students will be given feedback in the following forms in this course:

- The solutions to tutorial assessments and mid-semester exams will be covered in class.
- Written comments, if relevant, will be included in the tutorial assessments returned to students.
- Verbal comments, if necessary, will be provided during consultation time.

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 Student Academic Integrity Policy before the commencement of their course.

Other key policies include:

- Student Assessment (Coursework)
- Student Surveys and Evaluations

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/>

Attendance requirements

There are no marks allocated for attendance but participation in lectures and tutorials is encouraged. As noted above it is expected that students prepare for lectures and tutorials in advance.

Tutorial registration

Enrolment in tutorials will be completed online using the Electronic Teaching Assistant (ETA) after the first lecture. More information will be available in Wattle.

Recommended resources

The following textbooks will form the basis for much of this course:

- Hubbard, R. Glenn, Anne M. Garnett, Philip Lewis, and Anthony O'Brien, *Macroeconomics*, 4th edition. Melbourne: Pearson, 2018.
- CORE, *The Economy 1.0*, available at <http://www.core-econ.org>

Earlier editions of Hubbard et. al., in particular the second and third editions of this textbook are also acceptable, though not ideal.

There is also an open-source textbook which students may find useful:

- OpenStax College. (2014). *Principles of Macroeconomics*, 2nd edition. Houston, TX: OpenStax CNX. <https://openstax.org/details/books/principles-macroeconomics>

Other materials, available online, will also be prescribed to supplement the text on certain topics. These links will be provided on the Wattle site in advance of the relevant lectures.

COURSE SCHEDULE

The table below contains the proposed course schedule. Chapter headings refer to the Hubbard text (indicated by "H"). A number of other will be sometimes used.

This course outline is indicative only. Depending on how the course progresses, the weighting of some topics may change and some topics may be dropped or added.

Topic	Title	References
1	Macroeconomics v microeconomics	H Chs. 1, 2, 3
2	The Great Depression and the birth of macroeconomics	Readings (online) to be assigned

3	National Income Accounting	H Ch. 4
4	Economic growth	H, Ch 5,6
5	Labour Markets and Unemployment	H, Ch 7
6	Price Inflation	H, Ch 8
7	The short-run model of the macroeconomy	H, Ch 9
8	Aggregate Supply and Aggregate Demand analysis	H, Ch 10 (except appendix)
9	Different Schools of Macroeconomic Thought	H, Ch 10 appendix And other materials to be assigned.
10	Monetary Policy	H, Ch 11, 12
11	Fiscal Policy	H, Ch 13
12	Open Economy Macroeconomics	H, Ch 14

ASSESSMENT REQUIREMENTS AND POLICIES

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 website.

As a further academic integrity control, students may be selected for a 15-minute individual oral examination of their written assessment submissions.

Any student identified, either during the current semester or in retrospect, as having used ghost writing services will be investigated under the University's Academic Misconduct Rule.

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.

Your final mark for the course will be based on raw marks allocated for each of your final 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.

Assessment Tasks

Participation

There are no marks allocated for attendance but participation in lecture and tutorials is encouraged. It is expected that students prepare for lectures and tutorials in advance.

2 take-home assignments

Two assignments with questions similar to those provided for tutorials will be required. The two take-home assignment will need to be submitted electronically through Turnitin; a hardcopy submission may also be required. Exact submission requirements will be posted on Wattle. Email and fax submissions are not acceptable.

2 online quizzes

Two online quizzes will be conducted through Wattle. There will be a window in which students can take the exam but once they commence it they will have one hour to complete it. Further details on the quizzes will be posted on Wattle shortly after the semester commences.

Final examination

The final exam will test the entire material covered throughout the semester, with an emphasis on the second half of the course. It will be held during the university examination period. The format of the exam has not yet been finalized but likely will consist of 3 sections – multiple choice, short answer and long answer - to be answered in 3 hours. The questions will vary in complexity ranging from basic questions up through questions of increasing complexity and requiring creativity and higher analytic and communication skills.