ECON1102
Macroeconomics 1
Course Outline
Summer Term, 2015/2016

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 key information on Business School policies (including those on plagiarism and special consideration), student responsibilities and student support services.
## Table of Contents

1  STAFF CONTACT DETAILS  
   1.1 Communications with staff  
2  COURSE DETAILS  
   2.1 Course Content  
   2.2 Units of Credit  
   2.3 Summary of Course  
   2.4 Aims and Relationship to Other Courses  
   2.5 Student Learning Outcomes  
3  LEARNING AND TEACHING ACTIVITIES  
   3.1 Approach to Learning and Teaching in the Course  
   3.2 Learning Activities and Teaching Strategies  
4  ASSESSMENT  
   4.1 Formal Requirements  
   4.2 Assessment Details  
   4.3 Online Multiple Choice Quiz  
   4.4 Economics Report  
   4.5 Assignment Submission Procedure  
   4.6 Late Submission  
   4.7 Final Exam  
   4.8 Quality Assurance  
5  COURSE EVALUATION AND DEVELOPMENT  
6  COURSE RESOURCES  
7  COURSE SCHEDULE
1 STAFF CONTACT DETAILS

Course Co-ordinator: Dr Kris Iyer
Email: k.iyer@unsw.edu.au

1.1 Communications with staff
The Course Co-ordinator is responsible for the overall direction and academic content of the course. Any questions or issues of an academic or administrative nature should be directed to the Course Co-ordinator.

The Course Co-ordinator should be contacted by email.

2 COURSE DETAILS

2.1 Course Content
This is an online course. There are 11 units of work to be covered in this course. Two units should be covered each week starting 7 December, 2015.

2.2 Units of Credit
The course is worth 6 units of credit.

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, the use of empirical evidence in evaluating different models, and the role of government policy in seeking to influence macroeconomic outcomes. The course will provide students with a framework for understanding the workings of the whole economy and the various interactions among households, business and governments.

2.4 Aims and Relationship to Other Courses
Macroeconomics 1 (Econ1102) is offered as part of the first year core in the B.Econ and B. Com degrees. 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 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 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. 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 overall Program Learning Goals and Outcomes, and where these are assessed:

<table>
<thead>
<tr>
<th>Program Learning Goals and Outcomes</th>
<th>Course Learning Outcomes</th>
<th>Course Assessment Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>This course helps you to achieve the following learning goals</td>
<td>On successful completion of the course, you should be able to:</td>
<td>This learning outcome will be assessed in the following items:</td>
</tr>
</tbody>
</table>
| 1 Knowledge | Apply basic principles of financial mathematics to real life problems. Apply probability tools to solve risk and uncertainty scenarios. Use matrix algebra to represent and solve systems of equations. Use linear programming and calculus to solve optimisation problems. Apply both single variable and multivariable calculus to business and economics problems. Use Excel spreadsheet proficiently to analyse data and make correct interpretations of the program’s output. | • Report  
• Online quiz  
• Exam |
| 2 Critical thinking and problem solving | Formulate and solve real problems amenable to mathematical analysis that arise in economics and business using the methods appropriate to the problem. | • Report  
• Online quiz  
• Exam |
| 3a Written communication | Construct written work which is logically and professionally presented. | • Report  
• Exam |
| 3b Oral communication | Communicate successfully with group members in solving analytical problems. Such skills in analytical thinking and effective communication are Graduate Attributes that UNSW seeks to foster in its graduates. | • Not specifically assessed |
| 4 Teamwork | Work collaboratively to complete a task. | • Not specifically assessed |
| 5a. Ethical, environmental and sustainability considerations | Identify and assess environmental and sustainability considerations in problems in economics and business. | • Exam |
| 5b. Social and cultural awareness | Not applicable in this course. | |
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 online material 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 between students and teachers through online discussion boards. 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 lecture outlines, the designated reading from the textbook (and any other required readings) and the content of the Assessment Program.

*Lecture Summaries Online*
Written lecture summaries will be posted online for each unit. The purpose of the lecture summaries 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.

Lecture material is supplemented by required reading of the appropriate parts of the textbook and the assessment program.

*Review Questions*
Review questions should be completed on a self-assessment basis. They are non-assessable.

The review questions consist of selected questions that should assist in understanding of the important concepts and preparation for the final exam. Students should attempt the review questions on a weekly basis. The content of the review questions are examinable.

Any difficulties you have with review questions or your reading of the textbook may also be addressed by posting to the online discussion boards. These will be monitored regularly by the Course Co-ordinator. Solutions to the review questions will be posted on the course website at the end of each unit. Solutions to the end of chapter review questions and problems will also be posted online.

*Online Multiple Choice Quiz*
There will be one (1) formal online quiz 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. The quiz carries a total weighting of 20% of the final mark. The quiz can be accessed via the course website http://teaching.unsw.edu.au/elearning and by clicking the link Login for Moodle. The quiz will open on the Monday of the week three, i.e., 4th January 2016 and will stay open for a period of one week only.
(i.e., it will close on the 11th January - Monday - 2016). The quiz will examine concepts covered in Weeks 1, 2 and 3. The quiz has 20 questions, each carrying one (1) mark.

You can attempt the quiz only once and it has to be at one go. The quiz is timed and you have 30 minutes to complete the quiz.

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

1. Reading of the relevant chapter(s) of the text and accessing the lecture summary overheads from the course website. This will give you a general idea of the topic area.

2. Attempting the set review questions. This will provide a self-test of your understanding, and identify those parts of the topic with which you have problems. These are good preparation for the exam.

3. Working though end of chapter review questions and problems.

4. The assessable submission questions are also good preparation for written exam answers
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 the assessment tasks; and
- achieve a minimum score of 50 % for the final exam

STUDENTS MUST PASS THE FINAL EXAM TO OBTAIN A PASS IN THIS COURSE

4.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Length</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online multiple choice quiz</td>
<td>20</td>
<td>20 questions</td>
<td>By 11 January (Monday), 11.59 PM</td>
</tr>
<tr>
<td>Economics Report</td>
<td>20</td>
<td>2000-2500 words (maximum)</td>
<td>By 22 January (Friday), 11.59 PM</td>
</tr>
<tr>
<td>Final Exam</td>
<td>60</td>
<td>2 hours</td>
<td>University Examination Period</td>
</tr>
</tbody>
</table>

To encourage active and regular learning, the assessment in Macroeconomics 1 will consist of the following:

4.3 Online Multiple Choice Quiz

There will be one (1) online multiple choice quiz. The quiz will consist of twenty questions, each worth one mark. You can attempt the quiz only once and it has to be at one go. The quiz is timed and you have 30 minutes to complete the quiz. The quiz will be available to complete only during the relevant week as set down in the course outline. To repeat – between Monday 4th January 2016 until 11.59 PM of 11th January 2016. Students will need to complete the quiz via Moodle.

4.4 Economics Report

*The purpose of the report is to test your understanding of economic concepts and your ability to present logical economic arguments in written form.*

All students are required to submit one (1) report as outlined on Moodle. The report is worth 20% of your assessment. The written report is to be in the form of a typed report and should include referencing. The written report is to be a maximum of 2000-2500 words. This excludes diagrams and references.

*The report will be scored out of 20 marks and carry a weighting of 20%.*

4.5 Assignment Submission Procedure

You are to submit the report via the online submission icon provided on Moodle. You should keep a copy of all work submitted for assessment. Refer to Moodle for further instructions.
4.6 Late Submission

If you fail to submit your report by the due date it will be given a mark of zero. No late submission will be accepted without a medical certificate (or equivalent) accompanying it.

Late submission will be considered only in extreme circumstances. Any student, who for reasons of serious illness cannot submit before the submission date, will need full and convincing documentation of that illness, specifically a valid medical certificate which covers the period 4 days prior to the submission deadline. In cases where students have applied for special consideration, assignments must still be submitted within five days of the submission date or they will not be marked.

Applications for special consideration for late submission must be provided to the Lecturer-in-charge within 3 days of the submission date.

Special consideration will only allow a waiver of part of the late penalty: one day’s penalty for each two days of illness. Students should also note that satisfactory performance in the course to that time, will be taken into account by the Lecturer-in-charge in deciding whether to approve an application for consideration.

Employment obligations or holiday plans of any kind are not acceptable reasons for absence from any test/examination.

Applications for special consideration must be lodged online 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 supporting documentation and a completed Professional Authority form (pdf - download here) to Student Central.

4.7 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 real world situations.

The final exam will be held in the University examination period (5 February 2016 to 9 February 2016, subject to final confirmation) on campus and will be 2 hours in length. The final exam will cover material from the entire course.

The format of the final exam is:
Part A: Multiple choice questions
Part B: Written answer questions

The marking criteria for the written answer questions include:

- Demonstrated familiarity with and knowledge of course materials
- Well-constructed and clearly explained diagrams
- Consistent, clear and well supported explanations
- Incorporation of examples
Further information on the content of the final exam will be provided at the end of the semester.

4.8 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.

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 Moodle at: http://moodle.telt.unsw.edu.au

The Website contains copies of: all course handouts; summary lecture slides; assessment program; answers to review problems; sample exam questions; additional readings; 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:

This can be ordered online and delivered anywhere in Australia or overseas. Refer to http://www.bookshop.unsw.edu.au/horder.html

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 Course Outline and the Assessment 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.
# COURSE SCHEDULE

The formal teaching periods are from 7 - 18 December 2015 and 4 January - 31 January 2016, but assistance will continue to be available during the 'study period' of 1-4 February 2016.

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7 Dec 2015</td>
<td>Unit 1: Measuring Macroeconomic Output</td>
<td>Chapter 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unit 2: Saving, Wealth &amp; Real Interest Rates</td>
<td>Chapter 2</td>
</tr>
<tr>
<td>2</td>
<td>14 Dec 2015</td>
<td>Unit 3: Unemployment and the Labour Market</td>
<td>Chapter 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unit 4: Business Cycle and AE Model</td>
<td>Chapter 4</td>
</tr>
<tr>
<td></td>
<td><strong>Christmas shutdown—21 Dec 2015 to 3 Jan 2016</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4 Jan 2016</td>
<td>Unit 5: AE Model</td>
<td>Chapter 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unit 6: Fiscal Policy</td>
<td>Chapter 6</td>
</tr>
<tr>
<td>4</td>
<td>11 Jan 2016</td>
<td>Unit 7: Monetary Policy</td>
<td>Chapter 7 &amp; 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unit 8: AD/AS Model</td>
<td>Chapter 9 &amp; 10</td>
</tr>
<tr>
<td>5</td>
<td>18 Jan 2016</td>
<td>Unit 9: Exchange Rates</td>
<td>Chapter 15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unit 10: Trade &amp; Capital Flows</td>
<td>Chapter 16</td>
</tr>
<tr>
<td>6</td>
<td>25 Jan 2016</td>
<td>Unit 11: Economic Growth</td>
<td>Chapter 11 &amp; 12</td>
</tr>
</tbody>
</table>