ECON1102
Macroeconomics 1

Course Outline
Semester 1, 2015

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 Policies on Student Responsibilities and Support, Including Special Consideration, Plagiarism and Key Dates. It also contains the Business School PROGRAM LEARNING GOALS.
# Table of Contents

1 STAFF CONTACT DETAILS .................................................. 1  
  1.1 Communications with staff ......................................... 1  
  1.2 Exam Study Period Pitstop ....................................... 2  
2 COURSE DETAILS ........................................................... 2  
  2.1 Teaching Times and Locations .................................... 2  
  2.2 Units of Credit ......................................................... 2  
  2.3 Summary of Course ................................................ 2  
  2.4 Aims and Relationship to Other Courses ..................... 3  
  2.5 Student Learning Outcomes ..................................... 3  
3 LEARNING AND TEACHING ACTIVITIES ............................. 4  
  3.1 Approach to Learning and Teaching in the Course .......... 4  
  3.2 Learning Activities and Teaching Strategies ................. 4  
4 ASSESSMENT ................................................................. 6  
  4.1 Formal Requirements ............................................... 6  
  4.2 Assessment Details ................................................ 6  
  4.3 Tutorial Participation ............................................. 6  
  4.4 Hand in Tutorial Questions .................................... 6  
  4.5 Oral Presentation .................................................. 7  
  4.6 In-Tutorial Test ..................................................... 7  
  4.7 Final Exam .......................................................... 7  
  4.8 Quality Assurance ................................................. 8  
5 COURSE EVALUATION AND DEVELOPMENT ......................... 8  
6 COURSE RESOURCES ..................................................... 9  
  6.1 Course website ..................................................... 9  
7 COURSE SCHEDULE ..................................................... 10  
  7.1 Lecture Schedule .................................................. 10  
  7.2 Tutorial Schedule .................................................. 11
1 STAFF CONTACT DETAILS

Lecturer-in-Charge
Sang-Wook (Stanley) Cho
Room 406, UNSW Australia Business School Building (Business School)
Phone No: 9385 3287
Email: s.cho@unsw.edu.au
Consultation Times: TBA

Lecturers
Louise Zieme
Room: 465, Business School
Phone No: 9385 3313
Email: L.Zieme@unsw.edu.au
Consultation Times: TBA

Course Administrator
Spiro Vlachos
Room 463, Business School
Phone No: 9385 3565
Email: s.vlachos@unsw.edu.au
Consultation Times: See Moodle

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

1.1 Communications with staff

The Lecturer-in-Charge is responsible for the overall direction and academic content of the course. You should feel free to contact your lecturer about any academic matter. However, I strongly encourage, for efficiency, all enquiries about the subject material be made at tutorials or during consultation time. The lecturers 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, Spiro Vlachos.

Email is the recommended means of initial communication with the teaching staff for this course. Discussion of course subject material will not be entered into via lengthy emails.

Lecturers will reply to email within 48 hours, except on weekends, with the following provisions:

- The question should require a one (or two) sentence response (maximum). If it takes more, consultation hours are the more appropriate venue.
- We will never answer emails that request information that can be found on the website or the syllabus.
- We will not reply to emails concerning grading. For such matters, consultation hours are more appropriate.
- It is also required by the university policy that you use an UNSW email address: Our spam filter is set to maximum.
- Always identify yourself and the course code in your email.
• Please do not send attachments of any kind by email unless requested by the lecturers/tutors.
• Please do not submit term work by email unless requested by the lecturers/tutors.

We encourage you to provide course feedback and comments via email, if you wish. Please note that the lecturer has 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

There are 12 weeks of lectures in the course. Lectures begin in Week 1 (2 – 6 Mar, 2015) and end in Week 12 (25 – 29 May, 2015).

Tutorials begin in Week 3 (16 – 20 Mar, 2015) and end in Week 13 (1 – 5 June, 2015). 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 the Macroeconomics 1 website.

Lecture Group A: Weeks 1 – 2 (Cho), 3 – 8 (Zieme), 9 – 12 (Cho)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday</td>
<td>1-2 pm</td>
<td>Leighton Hall (Scientia Building) (Weeks 1-5), Mechanical Engineering G03 (Weeks 6-12)</td>
</tr>
<tr>
<td>Wednesday</td>
<td>11am - 12pm</td>
<td>Law Theatre G04</td>
</tr>
</tbody>
</table>

Lecture Group B: Weeks 1 – 2 (Cho), 3 – 8 (Zieme), 9 – 12 (Cho)

Thursday 6-8 pm Physics Theatre

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 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 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 the overall Program Learning Goals and Outcomes, and indicates 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 | Locate and interpret macroeconomic data and statistics. Explain macroeconomic concepts and use simple economic models to interpret behaviour of key macroeconomic variables. | • Hand in Tutorial Questions  
• In-tutorial Test  
• Final Exam |
| 2. Critical thinking and problem solving | Identify current economic issue and debates and use models to examine key policy issues. | • Hand in Tutorial Questions  
• In-tutorial Test  
• Final Exam |
| 3a. Written communication | Construct written work which is logically and professionally presented. | • In-tutorial Test  
• Final Exam |
| 3b. Oral communication | Communicate ideas in a succinct and clear manner. | • Hand in Tutorial Questions  
• Oral Presentation |
| 4. Teamwork | Not specifically addressed in this course. | Not specifically assessed. |
| 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.

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.

The Tutorial Program contains problems and questions that review and build on the lecture material.

The tutorial questions provide a means for discussion of applications and examples of economic concepts and models introduced in lectures. Students should attempt the set of weekly exercises before each tutorial and be prepared to contribute to tutorial discussion.

Solutions to the problem and review questions will be posted on the course website at the end of each week.

The Tutorial Program will be available on the course webpage.

**On-Line Multiple Choice Quizzes**

There will be a number of informal on-line quizzes 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. There will be no grade attached to these quizzes. The quizzes can be accessed via the course website from the end of Week 3. The purpose of the quizzes is to allow ongoing review of the material covered and provide continuous feedback on your performance.

**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

4.1 Formal Requirements
To be eligible for a passing grade in this course, students 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 and a mark of 40% in all assessments items.
AND
- Achieve a satisfactory level of performance in the final exam. This usually means a minimum mark of 46 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

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Length</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hand in Tutorial Questions</td>
<td>15%</td>
<td>As required</td>
<td>Weekly</td>
</tr>
<tr>
<td>Oral Presentation</td>
<td>5%</td>
<td>2-3 minutes</td>
<td>TBA</td>
</tr>
<tr>
<td>In-Tutorial Test</td>
<td>20%</td>
<td>30 mins</td>
<td>Week 9 (4 – 8 May)</td>
</tr>
<tr>
<td>Final Exam</td>
<td>60%</td>
<td>2 hours</td>
<td>University Exam Period</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3 Tutorial Participation
No marks will be awarded for tutorial attendance. However a record of attendance at tutorial will be kept. Students should note that 80% attendance is required by UNSW and Business School rules. Attendance at 8 out 10 tutorials will be deemed as meeting the requirement. In certain circumstances, such as where a request for special consideration is made in relation to an assessment item, tutorial attendance will be taken into account in determining your final assessment or whether special consideration is granted.

4.4 Hand in Tutorial Questions
Each week students are required to submit online, and before the beginning of the tutorial in which you are enrolled, an answer to one of the tutorial questions for that week. The questions for which a written answer is required will be indicated in the Tutorial Program. During the semester, THREE of the submitted answers (selected at
random) will be graded and given a mark. Each of the graded tutorial questions will have a weight of 5% towards the overall assessment. You are to ensure that your paper has been submitted by checking that you have received a Turnitin digital receipt by email. The format of each answer is given by the question, and by a rubric that will be posted on Moodle, and requires a minimum of 300 words. This is a tutorial exercise, and attendance in tutorials is required. Students that do not attend tutorials, or that submit their paper late, will not receive a mark for the paper submitted that week. Employment obligations or holiday plans of any kind are not acceptable reasons for absence from tutorials. Instructions to upload your paper will be available on Moodle.

4.5 Oral Presentation
An oral presentation involves posting a video of yourself giving a short speech, which you will upload for review and evaluation by the teaching staff. Most standard video-recording file types will be acceptable. Instructions to upload your presentation will be available on Moodle.

4.6 In-Tutorial Test
One short-answer test (the test has a weight of 20%) will be held during tutorials in the following week:

- Tutorial Test : Week 9 (4 – 8 May)

Students will have 30 minutes to complete each test. No notes, lecture or course material will be permitted to be used during the in tutorial test. The question must be answered on the answer sheet provided by your tutor.

A list of potential questions the test will be provided on the course website (one week prior to the test). Questions asked in the tutorial test will be based on those posted on the website. However there may be some slight differences in the actual test questions, e.g. numbers could be changed for questions that involve calculations.

Students must sit the tutorial test in the tutorial group to which they have been allocated. You should make every effort to take the in-tutorial 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).

4.7 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 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 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 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

6.1 Course website

The Macroeconomics 1 website may be found among others of your courses at: http://moodle.telt.unsw.edu.au. The Website contains copies of: all course handouts; lecture slides; the tutorial program; answers to tutorial problems; sample exam questions; additional readings; assessment marks; 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:


(The second/third editions of the above book can also be used; but note that chapter and other references made during the course will refer to the 4th edition. You may need to make appropriate adjustments if you have a previous edition. The main change to the 4th edition – from previous editions – is the addition of a new chapter on Macroeconomic Policy – Chapter 10 in 4th edition).

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 Lecture Schedule and the Tutorial 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

Textbook references are to the 4th edition.

## Lecture Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Reference (Textbook)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1 2 March</td>
<td>Measures of Macroeconomic Performance: Output and Prices</td>
<td>Chapter 1</td>
</tr>
<tr>
<td>Week 2 9 March</td>
<td>Saving, Wealth and the Real Interest Rate</td>
<td>Chapter 2</td>
</tr>
<tr>
<td>Week 3 16 March</td>
<td>Unemployment and the Labour Market</td>
<td>Chapter 3</td>
</tr>
<tr>
<td>Week 4 23 March</td>
<td>Business Cycles</td>
<td>Chapters 4 &amp; 5</td>
</tr>
<tr>
<td></td>
<td>A Model of Output Determination - The AE Model</td>
<td></td>
</tr>
<tr>
<td>Week 5 30 March</td>
<td>The AE Model (continued)</td>
<td>Chapter 5</td>
</tr>
<tr>
<td></td>
<td><strong>Mid-semester break: Friday 3rd April – Sunday 12th April</strong></td>
<td></td>
</tr>
<tr>
<td>Week 6 13 April</td>
<td>Fiscal Policy</td>
<td>Chapter 6</td>
</tr>
<tr>
<td>Week 7 20 April</td>
<td>Financial System, Money, Prices &amp; RBA</td>
<td>Chapter 7</td>
</tr>
<tr>
<td>Week 8 27 April</td>
<td>Monetary Policy and the RBA</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>Week 9 4 May</td>
<td>A Model of Output and Inflation – The AD-AS Model</td>
<td>Chapter 9</td>
</tr>
<tr>
<td>Week 10 11 May</td>
<td>Macroeconomic Policy</td>
<td>Chapter 10</td>
</tr>
<tr>
<td></td>
<td>Open Economy: Exchange Rates</td>
<td>Chapter 15</td>
</tr>
<tr>
<td>Week 11 18 May</td>
<td>Open Economy: Capital Flows</td>
<td>Chapter 16</td>
</tr>
<tr>
<td>Week 12 25 May</td>
<td>Economic Growth</td>
<td>Chapters 11 &amp; 12</td>
</tr>
<tr>
<td>Week 13 1 June</td>
<td>NO LECTURES</td>
<td></td>
</tr>
</tbody>
</table>
### 7.2 Tutorial Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Tutorial No</th>
<th>Topic</th>
<th>Reference (Textbook)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td></td>
<td>NO TUTORIALS</td>
<td></td>
</tr>
<tr>
<td>2 March</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 2</td>
<td></td>
<td>NO TUTORIALS</td>
<td></td>
</tr>
<tr>
<td>9 March</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 3</td>
<td>1</td>
<td>Savings &amp; Investment</td>
<td>Chapter 2</td>
</tr>
<tr>
<td>16 March</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 4</td>
<td>2</td>
<td>Labour Market &amp; Unemployment</td>
<td>Chapter 3</td>
</tr>
<tr>
<td>23 March</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 5</td>
<td></td>
<td>NO TUTORIALS</td>
<td></td>
</tr>
<tr>
<td>30 March</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mid-semester break: Friday 3rd April – Sunday 12th April</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 6</td>
<td>3</td>
<td>Business Cycles and AE Model</td>
<td>Chapter 4 &amp; 5</td>
</tr>
<tr>
<td>13 April</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 7</td>
<td>4</td>
<td>AE Model</td>
<td>Chapter 5</td>
</tr>
<tr>
<td>20 April</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 8</td>
<td>5</td>
<td>Fiscal Policy</td>
<td>Chapter 6</td>
</tr>
<tr>
<td>27 April</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 9</td>
<td>6</td>
<td>TUTORIAL TEST</td>
<td>Chapter 7</td>
</tr>
<tr>
<td>4 May</td>
<td></td>
<td>Money, Prices &amp; RBA</td>
<td></td>
</tr>
<tr>
<td>Week 10</td>
<td>7</td>
<td>Monetary Policy &amp; RBA</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>11 May</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 11</td>
<td>8</td>
<td>AD-AS Model and Macroeconomic Policy</td>
<td>Chapter 9 &amp; 10</td>
</tr>
<tr>
<td>18 May</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 12</td>
<td>9</td>
<td>Open Economy Macroeconomics</td>
<td>Chapters 15 &amp; 16</td>
</tr>
<tr>
<td>25 May</td>
<td></td>
<td>- Exchange Rates</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Capital Flows</td>
<td></td>
</tr>
<tr>
<td>Week 13</td>
<td>10</td>
<td>Economic Growth</td>
<td>Chapters 11 &amp; 12</td>
</tr>
<tr>
<td>1 June</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>