

## **ECON5103**

### **Business Economics**

### **Course Outline**

### **Semester 2, 2017**

## **Course-Specific Information**

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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# 1 STAFF CONTACT DETAILS

## 1.1 Lecturers

**Prof Andreas Ortmann, PhD**

**Location:** Room 460 (East wing, Business School)

**Phone:** 9385 3345

**Email:** [a.ortmann@unsw.edu.au](mailto:a.ortmann@unsw.edu.au)

**Consultation hours:** TBC and by appointment

**Jonathan Lim, PhD**

**Location:** Room 409 (West wing, Business School)

**Phone No:** 9385 0121

**Email:** [j.k.lim@unsw.edu.au](mailto:j.k.lim@unsw.edu.au)

**Consultation hours:** TBC

**Peter Nichols**

**Location:** Room Number 465 (East wing, Business School)

**Phone:** 9385 9935

**Email:** [p.nichols@unsw.edu.au](mailto:p.nichols@unsw.edu.au)

**Consultation hours:** TBC

## Tutors

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

## 1.2 Communications with staff

We strongly encourage all enquiries about the subject material be made at lectures or tutorials or during consultation time.

Email communication should be used for advising of absence, or other administrative matters, or for arranging an appointment outside of consultation hours.

Please note that the lecturers have no advance notice of the date and time of the final exam.

# 2 COURSE DETAILS

## 2.1 Teaching Times and Locations

There are three lecture streams (each 2 hours per week)

Lecture Group A Tuesday 12 - 2pm in Central Lecture Block 6.

Lecture Group B Monday 6 - 8pm in Colombo Theatre C.

Lecture Group C Thursday 2 - 4pm in Central Lecture Block 8.

Lectures (2 hours per week) start in Week 1 (to Week 12).

Tutorials (1 hour per week) start in Week 2 (to Week 13).

A full list of tutorial times and locations, and tutors will be placed on Course Website.

## 2.2 Units of Credit

The course is worth 6 units of credit.

## 2.3 Summary of Course

This course is an introduction to economic analysis, with application to decision-making in business, and the effects of government policy on the broader economic environment in which business decisions must be made.

Part 1 of the course deals with microeconomic issues: the analysis of resource allocation and efficiency in markets for particular commodities and services.

Part 2 of the course deals with macroeconomic issues: the analysis of the productive performance of the economy in aggregate, and the workings of the financial system.

A schedule with readings for Lectures is given below.

## 2.4 Aims and Relationship to Other Courses

The aim of this course is to provide an introduction to economic concepts and methods of analysis, to enable students to understand and use economic arguments in business decision making. The course assumes no previous study of economics.

ECON5103 is a prerequisite for other postgraduate courses offered by the School of Economics. It is also designed to satisfy the requirements of professional bodies, which require their members to have a basic knowledge of Economics.

There are no prerequisites for this course.

## 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 postgraduate 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 Program Learning Goals and Outcomes, see the School's Course Outlines Policies webpage available at <https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed:

| Program Learning Goals and Outcomes                                  |                                       | Course Learning Outcomes  | Course Assessment Item   |
|--|---------------------------------------|---|--|
| <i>This course helps you to achieve the following learning goals</i> |                                       | <i>On successful completion of the course, you should be able to:</i>   | <i>This learning outcome will be assessed in the following items:</i>  |
| 1  | Knowledge                             | Describe key micro- and macro-economic concepts.<br>Construct economic arguments in terms of these concepts.<br>Critically read and evaluate economic stories in the media. | <ul style="list-style-type: none"><li>• Submission question</li><li>• Midsession exam</li><li>• Final Exam</li></ul> |
| 2  | Critical thinking and problem solving | Apply simple economic models to the analysis of the relevant economic issues.   | <ul style="list-style-type: none"><li>• Submission question</li><li>• Midsession exam</li><li>• Final Exam</li></ul> |

|     |  |  |   |
|-----|--|--|---|
|     |  |  |   |
| 3a  | Written communication                                    | Construct written work which is logically and professionally presented.  | <ul style="list-style-type: none"> <li>• Submission question</li> <li>• Final Exam</li> </ul> |
| 3b  | Oral communication                                       | Communicate ideas in a succinct and clear manner.  | <ul style="list-style-type: none"> <li>• Tutorial presentation</li> </ul>                     |
| 4   | Teamwork   | Work collaboratively to complete a task.   | <ul style="list-style-type: none"> <li>• Submission question</li> </ul>                       |
| 5a. | Ethical, environmental and sustainability considerations | Identify and assess environmental and sustainability considerations in problems in international macroeconomics. | <ul style="list-style-type: none"> <li>• Final Exam</li> </ul>                                |
| 5b. | Social and cultural awareness                            | Not specifically addressed 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](http://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.

#### 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.

##### Tutorials

Tutorials follow the lectures by one week.

The purpose of the tutorial is to reinforce and clarify the concepts and issues covered in the lectures, and identify and remedy any problems with understanding.

A Tutorial Program for tutorials will be distributed in the first lecture and will be posted on the Course website. In the tutorial program, each tutorial will consist of:

- **Review Questions.** Students should attempt and self-correct these before attendance at their tutorial class. Questions which pose difficulties can be raised with the tutor.
- **Submission questions.** Allocated students are required to lead the class discussion of these questions and to submit written answers in the tutorial

following their presentation. All students should be prepared to participate in the tutorial discussion (see also Assessment below)

Each student must, as part of a registered group, submit a written answer to a nominated Submission Question as part of Assessment (See Section 4.5 below).

### **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 will be explained. Lecture notes will be posted a couple of hours before the lecture. Before you look at the lecture notes you are strongly advised to read the relevant chapter(s) of the text and any other assigned readings. Do not just rely in the lecture notes only.
- Attempting the review questions before the tutorial, and checking the answers. Preparing notes for the class discussion of the Submission Questions. (Even if the submission question for a specific tutorial is not the one you have been allocated to submit, you should prepare notes to contribute to the discussion. The Review Questions are your best guide to the style and content of questions in the final exam.)
- Attending tutorials, asking the tutor to explain those Review Questions which provided difficulties. Presenting (if allocated), or contributing to the class discussion of the Submission Questions.

## **4 ASSESSMENT**

### **4.0 You must complete the “Working with Academic Integrity” module on your Moodle site, before you hand in any written work.**

- You **MUST** complete the ‘Working with Academic Integrity’ module **AND THE MODULE’S QUIZ**, found on your course Moodle site, **BEFORE YOU ARE ALLOWED TO SUBMIT ANY WRITTEN ASSESSMENT**.
- If your submission is delayed because you did not complete the module and the quiz, you may be liable to late penalties as specified in your course outline.
- Failing to comply with the University rules of Academic integrity may result in serious consequences:
  - All cases of plagiarism (regardless of their severity) **ARE** recorded with the University Integrity Office University register.
  - Depending on the level of the plagiarism/misconduct, the penalties may include a **FAIL** grade for the assessment piece, a **FAIL** grade for the course, or being expelled for serious/repeat offences.

Any misconduct, including plagiarism, is recorded on your Conduct Record. If you have only one academic misconduct at the lowest level (level A) in your career, then the record is wiped clear when you graduate. Otherwise it remains there permanently.

Many professions, such as accounting and law, require access to the student's Conduct Record.

#### 4.1 Formal Requirements

To be eligible for a passing grade in this course, students must:

- Achieve a composite mark of at least 50 per cent;

#### AND

- Satisfactorily complete all assessment tasks or submit appropriate documentation relating to your failure to complete a task to the Lecturer in Charge.

#### 4.2 Assessment Details

| Assessment Task                               | Weighting | Length           | Due Date                                  |
|---|-----------|------------------|---|
| Mid-session Examination                       | 20%       | 60 minutes       | Week 7 (Beginning 5 September)            |
| Submission Question and Tutorial presentation | 20%       | About 1000 words | Over the semester, details on the website |
| Final Exam                                    | 60%       | 2 hours          | University Exam Period                    |

#### 4.3 Tutorial Participation

No marks are awarded for tutorial attendance. However, a record of attendance at tutorials will be kept. **Students should note that** 80% attendance is required by UNSW and Business School rules. 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.

Attendance at 9 of 12 tutorials will be deemed as meeting the requirement. 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.

#### 4.4 Midsession Exam

There will be a mid-session exam held in lecture times in Week 7 (beginning 4 September). The exam will consist of 20 four-alternative multiple choice questions covering Weeks 1-5 of the Lecture Program. The Exam will be 60 minutes in length. Details of locations for the exam will be advised on the course website.

There will be **no supplementary test** offered for the mid-session exam. You should make every effort to take the mid-session exam. Students who fail to attend the examination will need to apply for Special Consideration. For information on Special Consideration please refer to the Business School's [Course Outlines Policies webpage](#).

In cases of illness, students will need full and convincing documentation of that illness. Students who are found to be genuinely too ill to have attended the exam will have their mark in the remaining assessment tasks re-weighted to include the mark reserved for the missed test. In all other cases of non-attendance students will receive a grade of zero.

Applications for special consideration for this assessment item must be **lodged online through myUNSW within 24 hours 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.

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

#### **4.5 Tutorial Submission Questions**

The purpose of these questions is to cover the core principles of a topic, provide some practice in applying the principles for analysis of economic issues, and to identify the style of questions to be used in the final exam paper.

**All students should prepare notes on all questions to contribute to the discussion of these questions in tutorial class.**

Students will be allocated one particular submission question for which they will be required to submit a written report.

**These questions are items of assessment.**

In the first tutorial (Week 2), you will be placed in a group with another student (or 2 other students) and the group will be allocated a Submission Question. Students allocated to a question will be required to lead the class discussion with an oral presentation of your planned answer, in the tutorial of the week of your question. Your group will then be required to submit a written answer to your allocated question (about 1000 words) in the class of the following week. One of the aims of the presentation in class is to allow you to later incorporate any useful comments from the class discussion into your written answer.

You should type up your final answer in the form of a report of about 1000 words. Where appropriate you should include diagrams and acknowledge sources and references. This report should be attached to the signed Assignment Cover Sheet (See the Course Website) and submitted by the due date (in the tutorial one week after the discussion of the question).

Students must also submit an electronic copy of their Submission Question. The electronic copy is to be submitted to the course website by 11:59pm on the day on which you are required to hand-in your report to your tutor. Instructions will be available on the website. Browse and upload a copy of your document - do not paste text. Use your student ID in the file name.

Electronic copies of essays may be checked for plagiarism on the Turnitin software into which they are uploaded. See notes on Plagiarism in Part B of the Course Outline. Also note that the Turnitin software will automatically check against all other assignments submitted

If either the hard copy or the electronic copy of the assignment is not received by the due date you will receive a mark of zero unless a suitable medical certificate (or equivalent) is attached. In this case you should notify the Course Coordinator: [a.ortmann@unsw.edu.au](mailto:a.ortmann@unsw.edu.au).

#### **4.6 Final Exam Format**

The Final Exam will be held in the University examination period and will be 2 hours long. The final exam will cover the entire course. The format of the examination will be:

60 multiple choice questions of which

- about 20 will draw on Lectures Weeks 1-6.
- about 40 will draw on Lectures Weeks 8-12.

Further information on the content of the Final Exam will be provided towards the end of session. Working the weekly assignments (review questions) is an excellent way to get prepared for the Final Exam. The purpose of the final exam is to assess knowledge of economic concepts and their appropriate use, to test the ability to use economic reasoning to make deductions, and to test the ability to perform simple calculations of costs and benefits.

Past exam papers may be useful for students' preparation but the course content and material does change to reflect changing economic circumstances and issues. As outlined in 3.2 above all the material covered in this sessions lectures and tutorial program is examinable.

#### **4.7 Protocol for viewing final exam scripts**

The UNSW Business School has set a protocol under which students may view their final exam script. Please check the protocol [here](#).

#### **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 myExperience Survey Tool 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>

Students should check the course website at least once per week.

The textbook for this course is:

C.Bajada . J.Jackson , R. Mclver, E.Wilson *Economic Principles* McGraw - Hill Education, 2012 (3<sup>rd</sup> Edition) referred to as **(BJMW)**

**Please note that the book is out of print but available online as e-book as two options to be specified on the Moodle website. Alternatively, you may want to consider second-hand copies of the textbook.**

Other references and readings will be provided in Lectures and on the website.

## 7 COURSE SCHEDULE

### 7.1 LECTURE SCHEDULE

Lectures start in Week 1 and finish in Week 12.

|  | Topic  | References (possibly subject to change; always check the lecture notes) |
|--|--|---|
| Week 1<br>24 July  | <b>Introduction to Economic Concepts</b><br><i>Production Possibilities Curve, Opportunity Cost, Efficiency, Comparative Advantage</i>   | <b>Text: BJMW</b> Ch 1,<br>Ext.Ch 2 pp443-449                           |
| Week 2<br>31 July  | <b>The Competitive Market Model</b><br><i>Demand, Supply and Equilibrium</i>   | <b>Text: BJMW</b> Ch 2<br>Ext Ch 1 pp 419-421                           |
| Week 3<br>7 August   | <b>Applications of the Competitive Model</b><br><i>Elasticity, Consumer and Producer Surplus Floor and Ceiling Prices, Tax Incidence</i>   | <b>Text:BJMW</b> Ch 3;  |
| Week 4<br>14 August  | <b>The Theory of the Firm and the Perfectly Competitive Market</b><br><i>Production and Costs</i><br><i>The Perfect Competition Market Model</i>   | <b>Text: BJMW</b> Ch 4,<br>Ch 5 pp108-128                               |
| Week 5<br>21 August  | <b>Market Models</b><br><i>Monopoly, Oligopoly and Monopolistic Competition</i><br><i>Strategic Market Behaviour</i>   | <b>Text: BJMW</b> Ch 5 pp129-152;<br>Ch6                                |
| Week 6<br>28 August  | <b>Market Failure</b><br><i>Externalities and Public Goods</i>   | <b>Text: BJMW:</b> Ch 7   |
| Week 7<br>4 September  | <b>Mid-Session Exam held this week.</b><br><b>No lecture or Tutorials in this week</b>   |   |
| Week 8<br>11 September   | <b>Macroeconomic Problems and Measuring Aggregate Economic Activity</b>  | <b>Text:BJMW</b> Ch 8;  |
| Week 9<br>18 September   | <b>Aggregate Demand &amp; Supply</b><br><i>Aggregate demand, expenditure multipliers, aggregate supply, macroeconomic equilibrium.</i>   | <b>Text: BJMW</b> Ch 9; Ext Ch 4  |
| Mid-semester break: 23 September – 2 October inclusive (2 Oct = Labour Day Public Holiday) |  |   |
| Week 10<br>3 October   | <b>Monetary Policy &amp; the Financial System</b><br><i>Money and the banking system, interest rates, reserve requirements, RBA &amp; monetary policy</i><br><i>(Monday 2 Oct is a public holiday)</i> | <b>Text: BJMW</b> Ch 11   |

|                       |  |                         |
|-----------------------|--|-------------------------|
|                       |  |                         |
| Week 11<br>9 October  | <b>Fiscal Policy &amp; the Public Debt</b><br><i>Discretionary, non-discretionary policy, financing of deficits, public debt</i>   | <b>Text: BJMW Ch 10</b> |
| Week 12<br>16 October | <b>Exchange Rates &amp; Balance of Payments</b><br><i>Demand and supply of foreign exchange, fixed and floating exchange rates, Balance of Payments accounts, foreign debt</i> | <b>Text: BJMW Ch 13</b> |
| Week 13<br>23 October | <i>No lecture</i>  |                         |

## 7.2 Tutorial Schedule

Tutorials start in Week 2 and finish in Week 13.

The Tutorial Schedule lags the Lecture Schedule by one week.

A program of Tutorial Questions (Review Questions and Submission Questions) will be published in the lecture notes.

Lecture notes are typically posted a couple of hours before the first lecture of the week.