ECON3104 / ECON5304
International Macroeconomics

Course Outline
Semester 1, 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 Policies on Student Responsibilities and Support, Including Special Consideration, Plagiarism and Key Dates. It also contains the BUSINESS SCHOOL PROGRAM LEARNING GOALS.
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1 STAFF CONTACT DETAILS

Lecturer-in-charge: Mahmut Temur (Weeks 1-7)
Room: UNSW Business School Building 463
Phone No: 9385 3565
Email: m.temur@unsw.edu.au
Consultation Times – Tuesday 1pm-4pm (or by appointment)

Lecturer-in-charge: Nektarios Aslanidis (Weeks 8-13)
Room: UNSW Business School Building 449
Phone No: 9385 3346
Email: n.aslanidis@unsw.edu.au
Consultation Times – TBA

Tutor: Mahmut Temur
Email: m.temur@unsw.edu.au

1.1 Communications with staff
Feel free to contact your lecturer about any academic matter. However, we strongly encourage all enquiries about the subject material be made at lectures or tutorials or during consultation time. Discussion of course subject material will not be entered into via lengthy emails.

Email correspondence on administrative matters will be responded to within 48 hours, but not over weekends. Please note that the lecturer has no advance notice of the date and time of the exam.

2 COURSE DETAILS

2.1 Teaching Times and Locations
Lectures (Weeks 1-13):
• Friday 11:00am - 13:00pm – Colombo Theatre A (K-B16-LG03), 1-3, 4-12

Tutorials (Weeks 2-13):
• Friday 13:00 Colombo LG02 (K-B16-LG02)
• Friday 14:00 Colombo LG02 (K-B16-LG02)
• Friday 15:00 Colombo LG02 (K-B16-LG02)
• Tuesday 16:00 Webster (K-G14-250)

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
In the modern global economy, the economic forces and policies of every country affect and are affected by those of the rest of the world. This course introduces students to the key concepts of open-economy macroeconomics and develops a framework in which to analyse issues of importance to an economy which interacts with the world. This framework is applied to aid understanding of international macroeconomic issues such as international asset flows, determination of exchange rates, the current account balance, fiscal and monetary policy in an open economy, policies under various exchange rate regimes, monetary unions, and international economic crises. Students
will gain experience interpreting, analysing, and putting into perspective real international economic issues.

2.4 Aims and Relationship to Other Courses
This course is offered as part of the economics stream in the B.Com and B.Econ degrees. The prerequisite for this course is ECON2102 (Macroeconomics 2). The material in the course builds on ECON2102, but is taught at a more advanced level and with an explicit focus on the international aspects of macroeconomics.

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 | Explain the assumptions of standard models of international macroeconomics. Analyse and manipulate simple versions of these models. | • Tutorial Problems  
• In-tutorial Tests  
• Essay (AOL)  
• Exam (AOL) |
| 2 Critical thinking and problem solving | Use the standard models to interpret and analyse real problems in international macroeconomics. Discuss important policy issues and explain the role of key institutions in the international economy. | • Tutorial Problems  
• In-tutorial Tests  
• Essay (AOL)  
• Exam (AOL) |
| 3a Written communication | Construct written work which is logically and professionally presented. | • Essay (AOL)  
• Exam |
| 3b Oral communication | Communicate ideas in a clear and concise manner. | • Video presentation (AOL) |
| 4 Teamwork | Not specifically addressed in this course. | |
| 5a Ethical, environmental and sustainability considerations | Identify and assess the ethical implications of macroeconomic policy, both within and across countries. | • Tutorial Problems  
• Exam  
• Essay |
| 5b Social and cultural awareness | Identify the effect of cross-country social and cultural relationships on international macroeconomic outcomes and policies. | • Tutorial Problems  
• Exam (AOL) |
The course assessments indicated with (AOL) are used to assess the Program Learning Goals and Outcomes according to the Assurance of Learning (AOL) processes of the UNSW Business School. At least some components of the AOL assessments will be marked according to the AOL rubric for the assessment criteria. The AOL rubric relevant for your course will be posted on the course Moodle site.

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. 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 outcomes.

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 are an integral part of the subject. Tutorial problems and discussion questions will build on the material discussed in class with the lecturer and provide practice for exams.

Out-of-Class Study
It is important to note that learning will depend heavily on activities undertaken 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 and relevance of the topic are identified and explained.
- Attending tutorials and attempting the tutorial questions.
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 assessment tasks.

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>1 Homework</td>
<td>10%</td>
<td>1-2 problems</td>
<td>Weeks 2, 3, 5, 7, 9, 10</td>
</tr>
<tr>
<td>2 In-tutorial Tests</td>
<td>20%</td>
<td>20 minutes</td>
<td>Weeks 6, 11</td>
</tr>
<tr>
<td>3 Oral Presentation</td>
<td>10%</td>
<td>3 minute video</td>
<td>Week 8</td>
</tr>
<tr>
<td>4 Essay</td>
<td>10%</td>
<td>1000 words</td>
<td>Friday June 3, 2016 at 6pm</td>
</tr>
<tr>
<td>5 Final Exam</td>
<td>50%</td>
<td>2 hours</td>
<td>University Exam Period</td>
</tr>
</tbody>
</table>

4.3 Tutorial Participation
No marks are awarded for tutorial attendance. However, 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.

4.4 Homework
A set of problems will be assigned periodically and posted on Moodle. The problem sets are designed to provide practical experience analysing and applying models in international macroeconomics as well as practice solving the types of problems that will be asked in the in-tutorial tests and final exam. You are expected to attempt each problem before your tutorial, where you will discuss the answers. Working in groups is highly recommended.

In addition, each week you will be assigned one or two problems for which you are to hand in written answers at the start of your tutorial. Late and/or electronic submissions will not be accepted. They will be given 2 marks for a satisfactory attempt, 1 mark for a marginal attempt, and 0 marks for an unsatisfactory or no attempt. These answers should be your own, individual work.

The top five homework marks will be counted toward each student’s final mark. Special consideration does not apply to homework questions.
4.5 In-tutorial Tests
There will be 2 written in-tutorial tests. Students will have 20 minutes to complete each test, which will cover all material prior to the test that was not covered by previous tests (including material discussed in the prior-week lecture). Students must sit the tutorial tests in the tutorial group to which they have been allocated.

The two test scores will each count toward 10% of each student's final mark. There will be NO supplementary tests offered for the in-tutorial tests. You should make every effort to take every test. Special consideration does not apply to the in-tutorial tests. Any concerns about missing the tests should be promptly directed to the Lecturer-in-charge.

4.6 Essay
There will be one 1000 word essay that must be turned in on Week 13. Details of the assignment and submission procedure will be made available on Moodle.

4.7 Oral Presentation
There will be one oral presentation that must be submitted in the form of a video on Week 8. Details of the assignment and submission procedure will be made available on Moodle.

4.8 Final Exam
The final exam will be held during the University examination period and will be 2 hours long. The final exam will cover material from the entire course. The exam will be made of a mixture of multiple choice and short essay questions. Questions about the time, location, content, and make-up of the final exam should not be asked via email.

All students are expected to attend the final exam. See Part B of the course outline for information regarding requesting special consideration in relation to the final exam. Students should note that, given changes in the course content, past exam papers for this subject may be misleading.

4.9 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
http://moodle.teit.unsw.edu.au

6.2 Textbook

Students may also find the following textbooks useful for some parts of the course:

6.3 MyEconLab
MyEconLab is an online resource from the publisher of the course textbook, which includes practice problems and tests in addition to those assigned. Use of this resource is optional. New versions of the textbook purchased from the UNSW bookshop include free access. Otherwise, access must be purchased from the publisher. The course ID will be available on Moodle.
7 COURSE SCHEDULE

7.1 Lecture Schedule

Lectures start in Week 1 and finish in Week 13.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1 29 February</td>
<td>Introduction and National Income Accounting</td>
<td>KOM Ch. 13</td>
</tr>
<tr>
<td>Week 2 7 March</td>
<td>Balance of Payments and Trade in Assets</td>
<td>KOM Ch. 13, 20</td>
</tr>
<tr>
<td>Week 3 14 March</td>
<td>PPP and the Monetary Approach to the Exchange Rate/ The Real Exchange Rate Approach</td>
<td>KOM Ch. 16</td>
</tr>
<tr>
<td>Week 4 21 March</td>
<td>NO TUTORIALS OR LECTURES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mid-semester break: Friday 25th March – Sunday 3rd April</td>
<td></td>
</tr>
<tr>
<td>Week 5 4 April</td>
<td>The Foreign Exchange Market and Interest Parity</td>
<td>KOM Ch. 14</td>
</tr>
<tr>
<td>Week 6 11 April</td>
<td>The Money Market and Exchange Rates in the Short Run</td>
<td>KOM Ch. 15</td>
</tr>
<tr>
<td>Week 7 18 April</td>
<td>Exchange Rate Intervention</td>
<td>KOM CH. 18</td>
</tr>
<tr>
<td>Week 8 25 April</td>
<td>Output and Exchange Rates in the Short Run</td>
<td>KOM Ch. 17</td>
</tr>
<tr>
<td>Week 9 2 May</td>
<td>Short-Run General Equilibrium in an Open Economy</td>
<td>KOM Ch. 17</td>
</tr>
<tr>
<td>Week 10 9 May</td>
<td>Optimum Currency Areas</td>
<td>KOM Ch. 21</td>
</tr>
<tr>
<td>Week 11 16 May</td>
<td>The Euro and European Experience</td>
<td>KOM Ch. 21</td>
</tr>
<tr>
<td>Week 12 23 May</td>
<td>International Monetary Systems: History and Policy</td>
<td>KOM Ch. 19</td>
</tr>
<tr>
<td>Week 13 30 May</td>
<td>Sovereign Default and the GFC</td>
<td>KOM Ch. 20</td>
</tr>
</tbody>
</table>

7.2 Tutorial Schedule

Tutorials start in Week 2 and finish in Week 13. Each tutorial will cover material from the previous week's lecture and will focus on providing solutions to the assigned problems. Refer to the table of assessments (Section 4.2) for dates of in-tutorial tests and due dates for homework and essays. Any additional information and updates will be posted on Moodle.