

# ECON3104 / ECON5304

## International Macroeconomics

### Course Outline

### Semester 1, 2017

## 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, Academic Misconduct and Plagiarism, and Key Dates. It also contains the BUSINESS SCHOOL PROGRAM LEARNING GOALS.

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# 1 STAFF CONTACT DETAILS

Lecturer-in-charge: Sang-Wook (Stanley) Cho  
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Consultation Times: TBC

Tutor: Mahmut Temur  
Email: [m.temur@unsw.edu.au](mailto: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.

Lecturers will reply to email within reasonable time, with the following provisions:

- The question should require a one to two sentence response. If it takes more, office hours are the more appropriate venue. In that case the reply email reads “*a consultation during office hours is appropriate to discuss this issue*”.
- 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, office hours are more appropriate.
- It is also (strongly) preferable that you use an UNSW email address: Our spam filter is set to maximum. Moreover, university policy stipulates a preference for these email addresses.
- Always identify yourself and the course code in your email.
- Please do not send attachments of any kind unless requested by the lecturers.
- Please do not submit term work by email unless requested by the lecturers.

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.

# 2 COURSE DETAILS

## 2.1 Teaching Times and Locations

Lectures (Weeks 1-12):

- Wednesday 11:00 - 13:00, Webster Theatre A

Tutorials (Weeks 3-13):

- Wednesday 14:00-15:00, Law 275
- Wednesday 15:00-16:00, Law 303
- Wednesday 16:00-17:00, Law 303
- Wednesday 17:00-18:00, Law 303

## 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:

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	Explain the assumptions of standard models of international macroeconomics. Analyse and manipulate simple versions of these models.	<ul style="list-style-type: none"> <li>• Homework</li> <li>• Essay (AOL)</li> <li>• Exams (AOL)</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Homework</li> <li>• Essay (AOL)</li> <li>• Exams (AOL)</li> </ul>
3a	Written communication	Construct written work which is logically and professionally presented.	<ul style="list-style-type: none"> <li>• Essay (AOL)</li> <li>• Exams</li> </ul>

3b	Oral communication	Communicate ideas in a clear and concise manner.	<ul style="list-style-type: none"> <li>• Video presentation (AOL)</li> </ul>
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.	<ul style="list-style-type: none"> <li>• Homework</li> <li>• Exams</li> <li>• Essay</li> </ul>
5b	Social and cultural awareness	Identify the effect of cross-country social and cultural relationships on international macroeconomic outcomes and policies.	<ul style="list-style-type: none"> <li>• Homework</li> <li>• Exams (AOL)</li> <li>• Essay (AOL)</li> </ul>

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](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 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

	Assessment Task	Weighting	Length	Due Date
1	Homework	10%	1-2 problems	Weeks 4, 6, 9, 12
2	Midterm Exam	20%	50 minutes	Week 7
3	Oral Presentation	10%	2-3 minute video	Week 9
4	Essay	10%	800-1000 words	Friday June 2, 2017 at 6pm
5	Final Exam	50%	2 hours	University Exam Period

### 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 tutorial 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, you will be periodically 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.**

Special consideration does not apply to homework questions.

#### 4.5 Midterm Exam

There will be a midterm exam in Week 7 lecture. Students will have 50 minutes to complete the exam, which will cover material from the first half of the course. There will be **NO supplementary tests** offered for the midterm exam. You should make every effort to take every test.

#### 4.6 Essay

There will be one 800-1000 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 9. 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. 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 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

### 6.1 Course Website

<http://moodle.telt.unsw.edu.au>

## 6.2 Textbook

Feenstra, R. and A. Taylor. *International Macroeconomics*. 3<sup>rd</sup> Edition, Worth Publishers, 2014

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

Krugman, P., M. Obstfeld, and M. Melitz. *International Economics: Theory and Policy, Global Edition*. 10<sup>th</sup> Edition, Pearson Education, Inc., 2014.

## 6.3 LaunchPad

LaunchPad 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

The lecturer reserves the right to change some of these dates, according to how the course evolves.

LECTURE SCHEDULE		
Week	Topic	Reference
Week 1 27 February	Introduction and the Global Macroeconomy	FT Ch. 1
Week 2 6 March	National and International Accounts: Income, Wealth and the Balance of Payments	FT Ch. 5
Week 3 13 March	Introduction to Exchange Rates and the Foreign Exchange Market	FT Ch. 2
Week 4 20 March	Exchange Rates I: The Monetary Approach in the Long Run	FT Ch. 3
Week 5 27 March	Exchange Rates II: The Asset Approach in the Short Run	FT Ch. 4
Week 6 03 April	Balance of Payments I: The Gains from Financial Globalization	FT Ch. 6
Week 7 10 April	Mid-term exam to be held in lecture (No Tutorial)	
Mid-semester break: Friday 14 – Saturday 22 April inclusive		
Week 8 24 April	Balance of Payments II: Output, Exchange Rates, and Macroeconomic Policies in the Short Run	FT Ch. 7
Week 9 1 May	Balance of Payments II: Output, Exchange Rates, and Macroeconomic Policies in the Short Run	FT Ch. 7
Week 10 8 May	Fixed Versus Floating: International Monetary Experience	FT Ch. 8
Week 11 15 May	Exchange Rate Crises: How Pegs Work and How They Break	FT Ch. 9
Week 12 22 May	The Euro and Topics in International Macroeconomics	FT Ch. 10, 11
Week 13 29 May	No Lecture	

### 7.2 Tutorial Schedule

Tutorials start in Week 3 and finish in Week 13. Note that there is no tutorial in Week 7 due to midterm exam. 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 due dates for homework and essays. Any additional information and updates will be posted on Moodle.