College of Business and Economics
Research School of Economics

ECON2102 - MACROECONOMICS 2

Course Outline
Semester 2, 2014
# Table of Contents

1. **CONTACT DETAILS**
   - 1

2. **COURSE DETAILS**
   - 2
   - 2.1 Times and Locations
   - 2.2 Summary of Course
   - 2.3 Textbook
   - 2.4 Tentative Study Schedule
   - 2.5 Student Learning Outcomes

3. **LEARNING AND TEACHING ACTIVITIES**
   - 5
   - 3.1 Workload
   - 3.2 Recommended Learning Strategy
   - 3.3 Tutorial Registration

4. **ASSESSMENT**
   - 6

5. **COURSE-RELATED MATTERS**
   - 7

6. **GENERAL INFORMATION FOR ALL STUDENTS**
   - 7

7. **POLICIES, PROCEDURES AND RULES**
   - 8
1 CONTACT DETAILS

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Office Address</th>
<th>Email &amp; Telephone</th>
<th>Consultation Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Chung Tran</td>
<td>Course Coordinator and Lecturer</td>
<td>Room 2024, HW Arndt Bldg</td>
<td><a href="mailto:ECON.2102_ANU@gmail.com">ECON.2102_ANU@gmail.com</a> +61 2 6125 5638</td>
<td>TBA</td>
</tr>
<tr>
<td>Patrick Carvalho</td>
<td>Head Tutor</td>
<td>Room 2005 HW Arndt Bldg</td>
<td><a href="mailto:patrick.carvalho@anu.edu.au">patrick.carvalho@anu.edu.au</a> +61 2 612 57365</td>
<td>TBA</td>
</tr>
<tr>
<td>Terry Embling</td>
<td>Course Administrator</td>
<td>Room1013 HW Arndt Bldg</td>
<td><a href="mailto:terry.embling@anu.edu.au">terry.embling@anu.edu.au</a> +61 2 5125 0384</td>
<td>09:00 – 17:00</td>
</tr>
<tr>
<td>Finola Wijnberg</td>
<td>School Administrator</td>
<td>Room 1014, HW Arndt Bldg</td>
<td><a href="mailto:finola.wijnberg@anu.edu.au">finola.wijnberg@anu.edu.au</a> +61 2 6125 0195</td>
<td>09:00 – 17:00</td>
</tr>
</tbody>
</table>

Communication

Email
If necessary, the lecturers and tutors for this course will contact students on their official ANU student email address. Information about your enrolment and fees from the Registrar and Student Services' office will also be sent to this email address.

Announcements
Students are expected to check the Wattle site for announcements about this course, e.g. changes to timetables or notifications of cancellations. Notifications of emergency cancellations of lectures or tutorials will be posted on the door of the relevant room.

Course URLs
More information about this course may be found on:

- [Study @ ANU](#),
- the [College of Business and Economics website](#), and
- [Wattle](#), the University's online learning environment. Log on to Wattle using your student number and your ISIS password.
2 COURSE DETAILS

2.1 Times and Locations
Lectures start in Week 1. The time and location are:

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday: 10:00 – 11:00 am</td>
<td>Manning Clark Centre T2, Building 26a</td>
</tr>
<tr>
<td>Tuesday: 01:00 – 02:00 pm</td>
<td>Manning Clark Centre T2, Building 26a</td>
</tr>
<tr>
<td>Wednesday: 03:00 – 04:00 pm</td>
<td>Copland Theatre, Building 25</td>
</tr>
</tbody>
</table>

2.2 Summary of Course

Macroeconomics deals with the structure and performance of whole economies. In this course we will describe and analyze the factors that influence aggregate economic outcomes such as growth in national output and income, unemployment and inflation. Throughout the course, we will develop several micro-founded macroeconomic models, and consider alternative theories and their competing conclusions about the nature of market economies and the role of government policies to influence macroeconomic outcomes. The theories will be applied to current issues such as financial crisis, fiscal stress, debt crisis, tax reforms and job creation.

2.3 Textbook


Suggested additional readings:

2.4 Tentative Study Schedule

This list is subject to ongoing change. For updates, please refer to the course lecture log on Wattle.

<table>
<thead>
<tr>
<th>Week</th>
<th>Part</th>
<th>Topics</th>
<th>Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction and Review</td>
<td>+ Macro phenomena and approach</td>
<td>Chapters 1-3</td>
</tr>
</tbody>
</table>
| 2-3  | Growth | + Issues: growth and inequality  
+ Tools: exogenous and endogenous growth models  
+ Application: public policy, growth and welfare | Chapters 7-8 |
| 4 -5 | Micro-foundations I | A static model | Chapters 4-5 |
| 6-9  | Micro-foundations II | A dynamic model | Chapters 8-11 |
| 10-13 | Business cycle issues | + Issues: unemployment, inflation  
+ Tools: Real business cycle (RBC) model, RBC model with money, and New Keynesian (NK) model  
+ Application: GFC, fiscal devaluation, zero lower bond policy | Chapter 12-14 |
| 13   | Review | |
| 14   | Final exam | |

2.5 Student Learning Outcomes

On completion of the course, students should be able to:

1. Possess a coherent set of ideas for understanding macroeconomic phenomena and policy issues (Learning Outcome 1)

2. Understand the assumptions, structure and micro-foundations of a macroeconomic model and understand its power and shortcomings (Learning Outcome 2)
3. Formulate a relevant model and use such analytical tools in addressing a key macroeconomic question independently (Learning Outcome 3)

4. Understand the different ways in which economic issues can be tackled (Learning Outcome 4)
3 LEARNING AND TEACHING ACTIVITIES

3.1 Workload

Students taking this course are expected to commit at least 10 hours a week to completing the work. This will include:

- Lectures
- Tutorials
- Out-of-class study

Note: the workload may be greater in periods when you need to complete assignments or prepare for examinations. You should take the required workload into account when planning how to balance study with employment and other activities.

Lectures: The purpose of lectures is to provide a logical structure for the topics that make up the course, to emphasise the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied. As not all topics will be presented extensively, students should refer to the textbook for further details and be sure to attempt the tutorial exercises.

Tutorials: The object of the tutorials is to discuss various approaches to, and issues associated with the assigned exercises and topics covered in the course. Tutorial could also be used to administer short tests throughout the session. These tests will contribute to monitoring student progress as well as provide students with feedback on their learning.

Out-of-Class Study: Out-of-class study includes private study, group work and Wattle. 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.

3.2 Recommended Learning Strategy

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.
- Attending all tutorials and finishing all homework questions.
- Thinking about topical economic issues that can be tackled when developing your analytical toolbox.

3.3 Tutorial Registration

Enrolment in tutorials will be completed online using the Electronic Teaching Assistant (ETA). To enrol, follow these instructions:

2. You will see the Student Login page. To log into the system, enter your University ID (your student number) and password (your ISIS password) in the appropriate fields and hit the Login button.

3. Read any news items or announcements.

4. Select "Sign Up!" from the left-hand navigation bar.

5. Select your courses from the list. To select multiple courses, hold down the control key. On PCs, this is the Ctrl key; on Macs, it is the key. Hold this key down while selecting courses with the mouse. Once courses are selected, hit the SUBMIT button.

6. A confirmation of class enrolments will be displayed. In addition, an email confirmation of class enrolments will be sent to your student account.

7. For security purposes, please ensure that you click the LOGOUT link on the confirmation page, or close the browser window when you have finished your selections.

8. If you experience any difficulties, please contact the School Office (see page 1 for contact details).

4 ASSESSMENT

Proposed Assessment Schedule
Details about assessment may change during the first two weeks of semester. Please ensure that you check with your lecturer or tutor about any changes. Changes to the assessment schedule will be posted to the Wattle site.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Weighting (%)</th>
<th>Time</th>
<th>Topics Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tutorials</td>
<td>2%</td>
<td>Weekly</td>
<td>Weekly</td>
</tr>
<tr>
<td>In-tutorial test 1</td>
<td>4%</td>
<td>Week 4</td>
<td>Topics 1-2</td>
</tr>
<tr>
<td>Mid-semester examination</td>
<td>35%</td>
<td>Mid-Semester</td>
<td>Topics 1-3</td>
</tr>
<tr>
<td>In-tutorial test 2</td>
<td>4%</td>
<td>Week 10</td>
<td>Topic 1-4</td>
</tr>
<tr>
<td>End-of-semester examination</td>
<td>55%</td>
<td>End-of Semester</td>
<td>Topics 1-7</td>
</tr>
</tbody>
</table>

Tutorial participation: Tutorial enrolment will be organized by the Electronic Teaching Administrator (ETA). The ETA will close by the end of Week 2 of the semester. After that period, tutorial changes will only be considered under exceptional circumstances and must be approved by Terry Embling, the course administrator. Students must attend the tutorial section that they are enrolled in.

Homework: For most weeks, there will be a homework assignment. Questions for all components of the homework will be available on the class website at least one week before the due date. Answers for the homework will be posted after assignments are collected. Students are required to complete their homework assignments and hand them in to their tutor.
In-tutorial tests: Two times during the session, your progress will be assessed during your tutorial classes. The assessment will take a form of a 45 minutes long test. The tests will be administered during weeks 4 and 10. Students must sit the tutorial tests in the tutorial group to which they have been allocated. There will be NO supplementary tests offered for the in-tutorial tests. You should make every effort to take the in-tutorial test(s). Students who miss the in-tutorial test for valid, documented reasons will be able to count the final exam for bigger weighting of the total class grade.

The Mid-semester: Mid-semester will be given in class on the posted dates. No make-ups will be given for any reason whatsoever. Students who miss the mid-term for valid, documented reasons will be able to count the final exam for 85% of the total class grade.

Final Exam: These will be held on the University campus in the period from 7 to 23 November 2013. The exact dates for each course will be announced by the University in September, 2013.

<table>
<thead>
<tr>
<th>Course Learning Outcomes</th>
<th>Homework</th>
<th>Mid-term</th>
<th>Examination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Outcome 1</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Learning Outcome 2</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Learning Outcome 3</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Learning Outcome 4</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Scaling
Your final mark for the course will be based on the raw marks allocated for each assignment or examination. However, your final mark may not be the same number as produced by that formula, as marks may be scaled. Any scaling applied will preserve the rank order of raw marks (i.e. if your raw mark exceeds that of another student, then your scaled mark will exceed the scaled mark of that student), and may be either up or down.

5 Course-related Matters
Pre-requisites
ECON1101 Microeconomics 1 and ECON1102 Macroeconomics 1 or ECON1100 Economics 1 (H), or ECON1001/1011 Economics I (P or H).

6 General Information for all Students
CBE Student Office
http://www.cbe.anu.edu.au/
The CBE Student Office provides assistance with program and course selection, enrolment, change of program, variation to enrolment, status and other general matters. It is located on Level 2 of CBE Building 26c, contact details:

- T: (61) 02 6125 3807
- E: info.cbe@anu.edu.au

**Main Administrative Dates 2014**

The main administrative dates regarding teaching sessions, course census dates, examination period, graduation and enrolment variations (i.e. add and drop courses) are available from the ANU SEAP Guide 2013.

**ANU Student Support**

Academic Skills and Learning Centre

The Academic Skills and Learning Centre, in the Pauline Griffin Building, offers services to students regarding a range of academic issues including essay writing, note-taking, referencing, reading, examination preparation, and plagiarism.

**ANU College**

ANU College offers the following introductory and extended programs:

- maths bridging courses; and
- English language support for students from non-English-speaking backgrounds.

**Information Literacy Program**

Workshops are available to undergraduate and graduate students to develop skills in handling information and communication technologies.

**7 Policies, Procedures and Rules**

**ANU SEAP Guide 2010**


**Information for Enrolled Students**

Students are expected to be familiar with the ANU College of Business & Economics and university-wide policies and procedures on the following:

- Code of Practice for Student Academic Honesty
• Assessment Arrangements for Students from Language Backgrounds Other Than English
• Academic Progress Rules and Procedures
• Special examinations/consideration
• Supplementary examinations
• Review of assessment procedures

Special Examinations
You must contact the College Office for guidance on the procedure for special examinations for final examination. Do not approach your lecturer for this information.

Students who are unable to attend an examination for reasons outlined in the policies above, may apply to sit a special examination by lodging an application with the College Student Administration Office no later than 72 hours after the scheduled examination. It is important to emphasise that travel arrangements and minor illnesses are not normally acceptable grounds for special examinations (Section 2, College ‘Special Examination Policy’).

Section 7.7 of the ‘Student Enrolment and Procedures Guide 2009’ states: Students must make themselves available for the duration of the examination period in order to attend any special examination that may be required. If you know in advance of circumstances whereby you will be unable to sit the examination, you should lodge an application for a special examination as soon as possible.

The dates on which Special Examinations will be held will be published on the School website when the final timetable is published.

Applications for special examinations must be correctly completed with all original supporting documentation attached. Where an application is made on the grounds of sickness, Section B of the application must be completed by a medical practitioner and a detailed medical certificate stating the effect on your capacity to sit the examination is required. The medical certificate must carry the stamp from the medical practice, and will not always be sufficient evidence.

Special examinations are not automatically granted. If approved, successful candidates are required to contact the relevant School Office to obtain details of the special exam. If you do not sit the examination, or your application for a special examination is declined, then you will fail the course as incomplete. It is not grounds for a further special examination if students are not contactable and miss the scheduled examination date.

Special Consideration
If illness or other disruptive events have affected your preparation for, or performance during, an examination, you can bring this to the attention of the examiners by making a request for special consideration using the Application for Special Consideration form.
Requests for special consideration must be lodged with the relevant School Office before the scheduled date of the examination. However, if it relates to a problem that arose during the examination, it should be submitted immediately after the examination (see the invigilator). Requests for special consideration must be accompanied by documentation of the illness and/or a letter setting out the reasons for the difficulties in studying for or sitting an examination. The examiners will take this into account in awarding the final grade.

Special Arrangements
If you have a disability or disorder (permanent or temporary) which makes undertaking a formal sit-down examination difficult, then **you are responsible for requesting special arrangements to be made for your examination**. In the past these arrangements have included the use of special equipment, additional time, writing breaks, a scribe (someone to write for you), etc.

Please contact the Examinations and Graduations Office early in the semester and **at least 10 days prior to the examination period**. Failure to make appropriate arrangements for an examination may result in a subsequent application for a special examination/special consideration being declined.

Disabilities
If you have any queries about special arrangements with respect to disabilities, please refer to the Disabilities Officer. The ANU Disability Services Centre’s website is at [http://www.anu.edu.au/disabilities/](http://www.anu.edu.au/disabilities/).

Supplementary Examinations
In accordance with the University Examinations Rules 2009 (No. 3), you may be provided with a supplementary examination.

If you have qualified for a supplementary examination, your grade will be recorded as a PX on your Notification of Results. **You must notify the School Office, in writing (email is satisfactory), within 7 days of the official publication date of examination results to indicate your acceptance or otherwise to sit the supplementary examination.**

If you pass the supplementary examination you will receive the grade of PS (pass at supplementary examination) and a mark of 50. If you are unsuccessful, or you decide not to sit the supplementary examination, your grade will be recorded as N (fail) and your original mark will stand.

Supplementary examinations will be held early in the next semester on dates to be advised. For information regarding the timing and venues for supplementary examinations please refer to the school websites in week 2 of the current semester.

Travel plans should be made accordingly as travel plans are not an acceptable reason to miss a supplementary examination.

Results and Examinations
In accordance with the University Assessment Grades/Codes, CBE applies the following scale when awarding grades:
Final Pass Grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
<td>80–100</td>
</tr>
<tr>
<td>D</td>
<td>Distinction</td>
<td>70–79</td>
</tr>
<tr>
<td>CR</td>
<td>Credit</td>
<td>60–69</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
<td>50–59</td>
</tr>
<tr>
<td>PS</td>
<td>Pass at supplementary examination</td>
<td>50</td>
</tr>
</tbody>
</table>

Final Fail Grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>Fail</td>
<td>00–49</td>
</tr>
<tr>
<td>NCN</td>
<td>Not Completed/Fail</td>
<td></td>
</tr>
<tr>
<td>WN</td>
<td>Withdrawn with failure</td>
<td></td>
</tr>
</tbody>
</table>

Interim Codes (used when a result for a course has not yet been finalised)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DA</td>
<td>Deferred assessment</td>
</tr>
<tr>
<td>PX</td>
<td>Offered supplementary assessment</td>
</tr>
<tr>
<td>RP</td>
<td>Result pending</td>
</tr>
<tr>
<td>WA</td>
<td>Withheld for administrative reasons</td>
</tr>
</tbody>
</table>

Results Notification

To access results students should check their ISIS accounts on the advertised date for release of examination results. After publication, students enquiring about results must provide an ANU student card as proof of identification to the Examinations, Graduations, Prizes and Timetabling Office (Building 12). For privacy reasons students should not make enquiries regarding the results of other students.

Examination Timetable – Final Examination Period

http://timetable.anu.edu.au/

Details of the final examination timetable are available on the ANU Timetabling website. The onus is upon students to acquire their own scheduling details.

Examination Timetable – Mid-Semester Examinations

When a mid-semester exam is scheduled, timetable information will be posted by the relevant School.

Misconduct


In relation to an examination, misconduct on the part of a student includes:

- cheating;
- plagiarism (including the reproducing in, or submitting for assessment for, any examination, by way of copying, paraphrasing or summarising, without acknowledgement and with the intention to deceive, any work of another person as the student’s own work, with or without the knowledge or consent of that other person);
- submitting for an examination any work previously submitted for examination (except with the approval of the prescribed authority);
- failing to comply with the University’s instructions to students at, or in relation to, an examination;
• acting, or assisting another person to act dishonestly, in or in connection with an examination; and/or
• taking a prohibited document into an examination venue.

The administrative procedures regarding misconduct are incorporated in the ANU Discipline Rules.

Plagiarism

http://academichonesty.anu.edu.au/

The College regards plagiarism as any appropriation of the ideas or expressions of another without relevant and appropriate acknowledgment. This includes un-attributed appropriation of text or content and may extend to improper referencing. Plagiarism will not be tolerated in any course and all discovered instances would be pursued to the full extent allowable under the rules. Where students have doubts as to how to deal with or acknowledge source materials in course assignments they should consult the lecturer or tutor. The penalties and administrative procedures regarding plagiarism are incorporated in the ANU Policy on Academic Honesty.

On-line material discussing plagiarism and referencing styles is available from the Academic Skills and Learning Centre Web page (http://www.anu.edu.au/academicskills/).