

ECON1102: Macroeconomics 1
ECON7074: Macroeconomic Principles for Economic Policy.
Semester 2 2009

School of Economics
College of Business and Economics

Course Overview

Macroeconomics is the study of the aggregate behavior of an economy. This course aims to give the student some basic tools in macroeconomics. Students will learn how to measure economic performance and the meaning of terms such as national output, national income, national unemployment, the overall price level for the entire economy, and so forth. The main focus of this course will subsequently be models that attempt to explain the determination of national output and income. We will examine the long-run growth of national income, and the short-run fluctuations in national income (i.e., recessions and booms). In the process, we will also study unemployment, inflation, the interest rate and some facts about the global economy. And throughout we will explore how government policies can influence the performance of the economy.

Learning Outcomes

On satisfying the requirements for this course, students will have the knowledge and skills to:

- develop a basic understanding of the fundamental economic problem;
- become familiar with macroeconomic measurement;
- comprehend “core” macroeconomic theory and issues; and,
- have an understanding of macroeconomic policy.

Lecturer, Head Tutor and Course Administration Information

Lecturer: Pedro Gomis Porqueras.
Room 1018, HW Arndt Building.
Email: pedro.gomis@anu.edu.au (best way to contact)
Phone: +61 2 612 56193

Head Tutor: Ms Kirsten Wren
Room 1008, HW Arndt Building
Email: Kirsten.Wren@anu.edu.au

Course Administrator: Mr Terry Embling
Room 1013, School of Economics Office,
HW Arndt Building
Phone: 6125 0384

Course Textbook

N. Gregory Mankiw, PRINCIPLES OF MACROECONOMICS ISBN:9780324589993

WebCT

WebCT is an ANU site where students can access supplementary course material including tutorial exercises and lecture material; and announcements about lectures, essay topics, exams and other course administration matters. WebCT can be accessed via the ANU student home page. Students are advised to check WebCT weekly.

General Information

It is your responsibility to familiarize yourself with the University, College and School rules with regard to your studies – see http://cbe.anu.edu.au/schools/eco/General_information.html.

Lectures

Tuesday, Wednesday and Thursday @ noon–1:00pm, Manning Clark Lecture Theatre 1.

Repeated lectures on Tuesday, Wednesday and Thursday @ 5-6pm, Manning Clark Lecture Theatre 2.

Lecture Outlines will be posted on WebCT before the lecture. You may find it useful to bring a printout of the outline to each lecture to use as the basis of your own notes.

Lecturer Consultation

The lecturer will be available for consultation in Arndt 1018 between 9:30 am to 11:30am on Wednesdays. Note that administrative matters should be dealt with by the Course Administrator; and course content problems should be dealt with first by consulting your tutor and then the Help Desk. **I will not answer any e-mails nor answer any questions during Lecturer consultation if you have not followed the procedure outline above.**

Tutorials

Tutorials will start in Week 2. Enroll on-line at <http://eta.fec.anu.edu.au/eta/index.php>. The enrolment can be varied online during the first two weeks of the semester. After that any student wishing to change tutorial times must see the Course Administrator. By the end of each week, tutorial questions will be posted on WebCT. These questions will be considered in the following week's tutorial class. You should do the recommended reading and attempt written answers to the questions before attending your tutorial. You may be asked to explain your answers during the tutorial. You will have the opportunity to ask your tutor to explain material that you do not understand. Preparing written answers and participating in your tutorial is the most effective way of learning the course material.

Own Study

University study requires at least as much time and effort as a full-time job. You should expect to put in at least 6 hours per week of your own study time for this course in addition to the 4 hours of lectures and tutorials. Discussion with fellow students can be extremely valuable.

Requirements and Grading Criteria

Your grade in this course will be based on a midterm, the final exam and the problem sets. The general breakdown will be 85% for exams, and 15% Tutorial Test.

Mid-term Exam (35%): A mid-term exam will be held during Week 7. Details will be announced in lectures and posted on WebCT. The examinable material will be all that is covered in the lecture outline up to and inclusive of Week 6.

Tutorial Test (15%): A 30 minute test will be held in tutorials during Week 10 covering questions set for tutorial exercises in all previous weeks.

Final Exam (50%): The final exam will be held in the examination period. Details will be posted on the ANU exam timetable site. Examinable material will be everything covered in the Course Outline and in lectures, including material already covered in the mid-term exam.

Course Mark: The final mark for the course will be weighted as indicated above, subject to possible scaling of marks for the whole class.

Special Exams, Special Consideration, Supplementary Exams

The university has rules dealing with situations where you are unable to attend or complete assessments to the best of your abilities due to accident, illness etc. It is your responsibility to familiarize yourself with the rules with regard to special examinations, special consideration and supplementary exams – see http://cbe.anu.edu.au/schools/eco/General_information.html and links therein. Further clarification can be obtained from the College Student Administration Office on the first floor of the Copland Building.

Requests for Special Exams must be made to the College Student Administration Office.

Requests for Special Consideration should be made to the School of Economics.

Honour Code

I expect students to act honourably in this course, just as students should expect me to behave honourably.

Students are expected and required to:

1. Maintain a professional, respectful, and pleasant environment that facilitates learning,
2. Be courteous to myself and to their fellow students,
3. Not act in a way that disrupts the class, this means: please be quiet if entering the class late, turn off all electronic devices before entering the class and especially during exams (no cellular phones and PDAs, please) and do not sleep or chat in class while I am or a fellow student is talking.
4. Do not misrepresent work that you did not complete as your own. Do not cheat in examinations as doing so will result in severe sanction.

The university has strict rules in relation to academic honesty. The underlying principle is that all work submitted for assessment (essays, exams etc) should be your own original work. You should consult the site <http://academichonesty.anu.edu.au/> for ANU policies and advice on how you can avoid cheating and plagiarism.

Tentative Course Outline

The numbering is an approximate guide to the week in which material will be presented. More detailed outlines of each lecture will be posted on WebCT by the end of the previous week.

I) Introduction

Ten principles of economics (chapter 1)
Thinking like an economist (chapter 2)
Interdependence and the gains from trade (chapter 3)

II) The data of macroeconomics

Measuring a nation's income (chapter 10)
Measuring the cost of living (chapter 11)

III) The real economy in the long run

Production and growth (chapter 12)
Saving, investment and the financial system (chapter 13)
The basic tools of finance (chapter 14)
Unemployment (chapter 15)

IV) Money and prices in the long run

The monetary system (chapter 16)
Money growth and inflation (chapter 17)

V) The macroeconomics of open economies

Open-Economy Macroeconomics: basic concepts (chapter 18)
A macroeconomic theory of the open economy (chapter 19)

VI) Short run economic fluctuations

Aggregate demand and aggregate supply (chapter 20)
The influence of monetary and fiscal policy on aggregate demand (chapter 21)

Honours Option

Students have the option of taking Economics 1 (H), taught by Dr. Rodrigues-Neto, together with this course. If you score equal or more in Economics I (H), the grade you will receive in your is going to be the average grade of the two courses. Otherwise, you keep your grade of your ECON1102 Macroeconomics 1. Dr. Rodrigues-Neto's class meets Wednesday from 2:00-3:00 at the Arndt Theater 1.