ECON90048
Macroeconomics 3

SUBJECT GUIDE

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Faculty of Business and Economics
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Subject Outline

Introduction

Welcome to Macroeconomics 3 ECON90048. This subject analyses the general equilibrium approach to modelling the macroeconomy. Emphasis is given to the study of business cycles, growth models and open-economy macroeconomics.

Subject Aims

The overall aim of this subject is to expand understanding of macroeconomic issues studied in previous years as well as to introduce students to new areas of macroeconomics.

Learning Outcomes

Subject Objectives

The subject will focus upon two areas: economic growth and business cycles.

On successful completion of the subject you should be able to explain some of the main theories of economic growth and have an understanding of the methods associated with the empirics of economic growth. This includes understanding the limitations with theories and empirical work.

You should also be able to understand what are the main theories associated with fluctuations in the business cycle. How do these theories differ and what are the different implications for policy?

Generic Skills

In this subject you will have the opportunity to develop important generic skills. These include:

- Evaluation of ideas, views and evidence
- Synthesis of ideas, views and evidence
- Strategic thinking
- Critical thinking
- Application of theory to economic policy and business decision making
- Accessing economic and other information
- Summarise and interpretation of information
- Statistical reasoning
• Problem solving skills
• Collaborative learning and team work
• Written communication
• Oral communication

**Awareness Issues**

At a broader level, studying this subject will increase your awareness of issues such as:

• Understanding issues related to economic growth. Why are some countries rich and other countries poor? What has been successful in promoting economic development? What are the major theories explaining economic development and what are their different implications for policy?

• Understanding different theories of the business cycle? What are the different explanations for business cycle fluctuations? What are the different implications of that these theories have upon policy?

• Understanding the importance of financial and international markets. How do financial markets interact with the real economy? How does the availability of international trade and financial flows affect domestic economy outcomes?

**Prerequisites**

Macroeconomics 2, ECON90047

**Academic Staff Contact Details**

**Seminar Leader Contact Details**

Your coordinator for Macroeconomics 3 is Lawrence Uren.

Email: luren@unimelb.edu.au

Room: 338 of the FBE Building, 112 Barry Street.

Phone: 8344-7915

Consultation Hours: 1:30-2:30pm, Wednesdays

**Email Protocol**

Please note that we are only able to respond to student emails coming from a University email address. Please do not use personal email addresses such as Yahoo, Hotmail or even business email addresses. Emails from non-University email addresses may be filtered by the
University’s spam filter, which means that we may not receive your email. All correspondence relating to this subject will only be sent to your University email address. Note that you must first activate your University email address before you can send or receive emails at that address. You can activate your email account at this link: http://accounts.unimelb.edu.au/.

While academic staff endeavor to address queries received via email, it is more appropriate to resolve substantive questions during seminars and during normal consultation hours. With this in mind, we encourage students to attend all seminars and to familiarise themselves with the consultation hours offered by the seminar leader in this subject.

Seminars and Tutorials

Seminar Times

Monday, 6:15-8:15pm in The Spot 5014.

Tutorials will take place from 8:15-9:15pm in the same room.

Seminar Schedule

This section provides a preliminary timetable of seminars for the entire semester. This schedule is subject to change. The required readings will be distributed in lectures or be available online.

<table>
<thead>
<tr>
<th>Week</th>
<th>Date of Lecture</th>
<th>Topic</th>
<th>Required Reading</th>
<th>Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>29 July</td>
<td>Introduction to Growth and Solow-Swan model</td>
<td>Acemoglu Chapter 1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>5 August</td>
<td>Growth Empirics</td>
<td>Durlauf article</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>12 August</td>
<td>Overlapping Generations Model</td>
<td>Auerbach &amp; Kotlikoff</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>19 August</td>
<td>Endogenous Growth and Institutions</td>
<td>Olson and Hall &amp; Jones</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>26 August</td>
<td>Introduction to Business Cycles</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>2 Sept</td>
<td>In-class test</td>
<td></td>
<td>6</td>
</tr>
</tbody>
</table>
Seminar Slides

Seminar slides will be placed on the LMS page for this subject prior to each seminar. The seminar slides are located under the heading “Lectures”.

Assessment

Assessment Overview

Your assessment for this subject comprises the following:

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Due</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-class test</td>
<td>2 Sept</td>
<td>10%</td>
</tr>
<tr>
<td>Assignment</td>
<td>15 Oct</td>
<td>30%</td>
</tr>
<tr>
<td>End-of-semester exam</td>
<td>Exam period</td>
<td>60%</td>
</tr>
</tbody>
</table>

Exam Policy

The Faculty requires that you are available for the entire examination period. Supplementary exams will not be provided in cases of absence during the examination period, unless the absence is due to serious illness or other serious circumstances. See the Special
Considering website for more information:
http://fbe.unimelb.edu.au/csc/assistance/special_consideration

Plagiarism and Collusion

Presenting material from other sources without full acknowledgement (referred to as plagiarism) is heavily penalised. Penalties for plagiarism can include a mark of zero for the piece of assessment or a fail grade for the subject.

Plagiarism is the presentation by a student of an assignment identified as his or her own work even though it has been copied in whole or in part from another student’s work, or from any other source (eg. published books, web-based materials or periodicals), without due acknowledgement in the text.

Collusion is the presentation by a student of an assignment as his or her own work when it is, in fact, the result (in whole or in part) of unauthorised collaboration with another person or persons. Both the student presenting the assignment and the student(s) willingly supplying unauthorised material are considered participants in the act of academic misconduct.


Penalties for Late Submission and Exceeding Word Limits

In order to ensure equality for all students, assignments must be completed within specified time limits. Late submissions will attract a marking penalty where approval for late submission has not been given.

Assignments that exceed word limits may also attract a marking penalty.

Special Consideration

Students who have been significantly affected by illness or other serious circumstances during the semester may be eligible to apply for Special Consideration.

The following website contains detailed information relating to who can apply for Special Consideration and the process for making an application:

http://mbs.unimelb.edu.au/students/services/special_consideration

Referencing

All sources used for a written piece of assessment must be referenced. This is to acknowledge that your material is not based entirely on your own ideas, but is based, in part, on the ideas, information, and evidence of others. This is desirable as you are attending University in order to learn from others.

You will be required to use the APA system or Harvard System of referencing. The FBE Centre for Excellence in Learning and Teaching (CELT) has prepared a booklet for each
system specifically to assist students to reference correctly. Each booklet contains many examples that will help you when preparing your assignments. The booklets can be found here:
http://fbe.unimelb.edu.au/__data/assets/pdf_file/0006/647583/Basic_referencing_APA_system.pdf and

It is important that all material you present for assessment is referenced correctly. Material that has not been referenced correctly may be considered to be plagiarised, and as such may be penalised. We will also look for evidence that material included in the bibliography has been used in the assignment. Including references that have not been used may also result in your assignment being penalised.

Other Subject Resources

The following resources are provided to assist your learning:

**Supplementary Readings**

Supplementary readings will be provided in lectures at the appropriate times.

**FBE Centre for Excellence in Learning and Teaching**

The FBE Centre for Excellence in Learning and Teaching (CELT) provides services and resources to enhance your learning in Business and Economics.

Maximise your academic success by taking part in CELT services that develop:

- Skills in research, referencing and academic writing
- Mastery of different assignment types
- Effective study techniques
- Abilities to learn effectively with your peers
- Transition to the faculty and understanding of academic expectations

The Centre also provides an extensive range of helpsheets that can enhance your academic performance in Business and Economics. These are available or online or at the Centre.

Visit the CELT site [www.fbe.unimelb.edu.au/celt](http://www.fbe.unimelb.edu.au/celt) to learn more and get involved.