

ECON2102 MACROECONOMICS 2
COURSE OUTLINE

Lectures: Copland Theater, Building 25:
Tuesday, 1600-1700
Wednesday, 1600-1700
Thursday, 1600-1700*

* For optional advanced material. Lecture activity TBA.

Lecture log and notes: <http://webct.anu.edu.au/>

Instructor:

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Administrative contact:

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Head Tutor:

Mr. Vipin Arora
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This course introduces the student to methods and issues in contemporary macroeconomics. A central theme is the inter-relationship between empirical macroeconomic outcomes and theoretical constructs for explaining or understanding these outcomes. These models can also be used to understand and re-invent macroeconomic policies. In this course we also aim to bring the themes in undergraduate macroeconomic studies closer to what is taught in graduate courses, and also closer to how macroeconomics is done in the best universities and policy institutions such as the U.S. Federal Reserve, the International Monetary Fund, the European Central Bank, Bank of England, the Reserve Banks of New Zealand and Australia. At the end of the course, students are expected to (i) possess a coherent set of ideas for understanding macroeconomic phenomena and policy issues, (ii) appreciate the power and shortcoming of models, (iii) be able to analyze and solve a macroeconomic question independently, and (iv) be intellectually well-equipped for future employment and academic demands. Students are expected to be comfortable with calculus and algebra at the advanced high-school level.

¹**Please do not use the email for instructional purposes.** I will not reply if you do. For course queries, contact the administrative staff listed in this outline. For course consultation, go to your tutor's or professor's walk-in office hours.

ASSESSMENT

The following components are compulsory and non-redeemable.

- ▶ Tutorial participation: 10%.
- ▶ Mid-semester examination: 20%.
- ▶ End-of-semester examination: 70%.

Note: The 10 % tutorial assessment will require your tutor to gauge the level of your participation in class. This implies that you should have prepared your answers to weekly problem sets before class. Sign up for a compulsory tutorial session: <http://eta.fec.anu.edu.au/>.²

FAQ 1: *What if I fall sick during the week and miss out on my tutorial assessment?* If you are ill on the day of an assessable tutorial, then you must obtain a medical certificate and give it to Terry Embling in Arndt 1013. This must be done as soon as possible following the period of absence covered in the certificate. For the tutorial assessments and especially for the final exams, a medical certificate does not automatically guarantee that a special examination will be granted. Due to past abuse, the medical certificate is only one of many factors which are taken into account when requests for special examination are considered.

FAQ 2: *What if I fail the overall course?* The university document which details the rules governing supplementary assessment can be found at <http://www.anu.edu.au/cabs/rules/ExamsRules.pdf>. The examiners of this course will provide a supplementary examination if the student receives a course result of 45-49. All other marks strictly below 45 will not be eligible.

FAQ 3: *What if I can't make it to the mid-semester exam?* We do not entertain excuses *such as* conflicts with vacation plans, outside work commitments, or sporting engagements. If you did not sit the mid-semester exam due to illness, then subject to evidence of such in the form of a valid medical certificate, your final exam mark will count for 90% of the course assessment.

TEXTBOOK

Stephen D. Williamson (2008). *Macroeconomics*, third edition. Pearson Addison Wesley Publishers.

TOPICS

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

- ▶ Introduction and Measurement (Chapters 1-3)
- ▶ A static microeconomic-founded model (Chapter 4-5)
- ▶ Growth (Chapter 6-7)
- ▶ Intertemporal choice (Chapter 8-9)
- ▶ Money and business cycles (Chapters 10-12)
- ▶ The open economy dimension (Chapters 13-14)
- ▶ Unemployment: search theory and labor market frictions (Chapter 16)
- ▶ Theory of monetary policy and policy games (Chapter 17)
- ▶ Overlapping generations models and intergenerational fiscal policy (TBA)

²Tutorial 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.