



BUSINESS SCHOOL
Te Kura Pakihi

DEPARTMENT OF ECONOMICS

Macroeconomics
ECON202

COURSE OUTLINE

Semester 2, 2024

Paper Description and Aims

In the last decade, there has been renewed interest in macroeconomics. The subprime mortgage crisis in the United States and the global recession that followed have put macroeconomic questions and policies at the forefront of the public debate. This trend will only be enforced by the COVID-19 induced global recession.

While macroeconomic theories have changed substantially over the years, the models currently used by academic economists (and by policy-makers in central banks and treasuries) are rooted in theory developed in the first half of the 20th century by economists such as Keynes, Friedman, and Solow. In this paper, we will provide a flavour of how these models work without going into too much mathematical detail, ensuring that you will be familiar with the key ideas in modern macroeconomics even if you choose not to study macroeconomics at a higher level.

Some of the policy questions we will address are:

How can the government and the Reserve Bank influence the economy through monetary and fiscal policy?

Why are some countries richer than others?

What happened in the Global Financial Crisis?

Learning Outcomes

After completing the course, the successful student will be able to:

Topic-specific Objectives

- Understand the principles behind models of growth, inflation and business cycles, and use these models to analyse the state of the economy
- Describe the impact of fiscal/monetary policies on the state of the economy
- Use macroeconomic theories to explain the factors driving aggregate levels of employment and unemployment

Discipline-specific Objectives

- Develop skills that facilitate continued success in the economics major/minor
- Use economic vocabulary and concepts appropriately
- Use formal economic models to support arguments and make predictions
- Exhibit basic knowledge about current controversies in macroeconomics and how macroeconomic data can be used to address these controversies

Teaching Staff

Lecturer

Name: Terry Kerr
Office: 604, OBS
Email: Terrence.Kerr@otago.ac.nz
Office Hours: by appointment only
Lecture Weeks: 1-7

Paper Coordinator

Name: Dennis Wesselbaum
Office: 622, OBS
Email: Dennis.Wesselbaum@otago.ac.nz
Office Hours: by appointment only
Lecture Weeks: 8-13

Course Delivery

Lectures

- Tuesday 2:00-2:50pm
- Wednesday 2:00-2:50pm
- Thursday 2:00-2:50pm

Tutorials

- One per week (**starting** lecture week 2)

Lectures present the key conceptual material through discussion and interaction between teaching staff and students. Lectures are supported by readings.

Tutorials are interactive, collaborative sessions in which students attempt to cement concepts presented at lectures with their peers in a supportive environment. Tutorials begin in the **second** week of semester. You will be allocated to a tutorial and this will be available in eVision. Tutorial times and locations will be posted on Blackboard during the first week of lectures. **You should contact Terry with enquiries about tutorial changes.**

Tutorials offer you the opportunity to work in groups on a series of tasks designed to apply the concepts that you have been exposed to in class and from your reading, and to stimulate your interest in the course as it applies to “everyday” issues. The key feature of tutorials, as opposed to lectures and individual study, is participation of all members of the tutorial group. **Please prepare for tutorials before going to them.**

Course Calendar The course calendar (in this outline) details scheduling information. Note that this calendar may change as the course proceeds. Any changes will be announced.

Students are expected to prepare for and attend all classes to gain full benefit from the course.

These activities should be prepared for by reviewing information detailed on Blackboard and completing any assigned readings. Students unable to attend a lecture are expected to catch up on missed material. Unless stated otherwise, all aspects of the course are examinable.

Lecture recordings will be made available. We want to highlight two issues with this. First, it is our experience that one or two lecture recordings will fail (sound but no video or vice versa). In this case, no substitutes will be provided. Second, we have evidence that since the introduction of mandatory recordings lecture attendance has fallen, the average grade in this course has fallen, and the fail rate has substantially increased. We stress that using the recordings as a substitute of regular attendance and “binge-watching” recordings before assessments will almost surely result in a bad outcome.

COVID-19 Notice: All COVID-19 restrictions have been removed. Nevertheless, please follow all recommendations by the government and the university and keep yourself updated. More information: <https://www.otago.ac.nz/coronavirus/index.html>.

Expectations and Workload

The material builds up gradually during the semester in this class. In contrast to other courses each week builds on the material in previous weeks and the models we are building become larger and more complex over the course of the semester. Not understanding the basics and falling behind will make it very difficult to catch up. Therefore, we expect you to keep up to date with the material.

We are happy to discuss any questions or concerns you may have about any aspect of the course at any time during the semester. **However, please consult your tutor first.** We encourage students to work with each other during the semester.

We expect professional behaviour of students. This involves, for example, being on time **and to independently inform yourself about rules and regulations, the details about this paper, especially its assessments, as well as the location of materials and assignments on Blackboard – as these may vary over lecturers. There will not be reminders about dates or deadlines.**

Furthermore, students are expected to **comply with all university rules and regulations.**

An 18-point paper corresponds approximately to an average workload of 12 hours per week (including contact hours), or roughly 180 hours in total over a 15-week period (including the end-of-semester exam period). A minimum weekly workload estimate for this course: 3 hours in lectures, 1 hour in tutorials, and 4 hours in independent study.

Assessment

All material presented is examinable (except stated otherwise) by internal assessments and the final examination. All-important assessment information such as due dates and times, content, guidelines and so on will be discussed during lectures and, where appropriate, detailed on Blackboard. **Students are responsible for ensuring that they are aware of this information, keeping track of their own progress, and catching up on any missed classes.**

Plussage only applies for the Midterm Test: If your grade on the final exam is better than the grade on your midterm test, the midterm test will count 10% (instead of 30%) and the final exam will count 70% (instead of 50%).

Assessment	Weight (% of total)	Time	Content
Test 1 (online - Blackboard)	10%	Wednesday, LW 5, 06:00pm-06:30pm	LW 1 – 3
Midterm Test (in person)	30%	Thursday, LW 9, during class time	LW 1 – 7
Test 2 (online - Blackboard)	10%	Wednesday, LW 12, 06:00pm-06:30pm	LW 8 – 10
Final Exam (in person)	50%	Tbd	LW 1 – 11

Notes: LW = lecture week (See Course Calendar). For content column, the test contains the start and the end point of the interval, for example test 1 contains all material discussed during weeks 1 to (and including) 3.

Test Absence

Students who miss a test for university-approved reasons can have the corresponding weight transferred to their final. Supporting documentation must be provided. In any other circumstances, students who miss a test will receive a score of zero. No make-up test will be provided. University rules and guidelines available [here](#).

Course Calendar (tentative)

Lecture Week	Week Commencing	Topic	Reading	Notes
1	Monday 15 July	Introduction and Time Series	Ch 1 & 2	
2	Monday 22 July	Long-run Growth 1	Ch 3 & 4	
3	Monday 29 July	Long-run Growth 2	Ch 3 & 4	
4	Monday 5 August	The Goods Market and Money Market	Ch 11	
5	Monday 12 August	The IS-LM Model	Ch 11	Test 1
6	Monday 19 August	The Labor Market	Ch 7	
7	Monday 26 August	The AS-AD Model	Ch 5	
Mid Semester Break Monday 2 September – Friday 6 September				
8	Monday 9 September	Small Open Economy	Ch 13	
9	Monday 16 September	Large Open Economy	Ch 13	Midterm
10	Monday 23 September	Consumption and Savings	Ch 14	
11	Monday 30 September	Investment	Ch 15	
12	Monday 7 October	The GFC and Macroeconomics of Pandemics	Ch 13	Test 2
13	Monday 14 October	Revision		

Note: Chapters relate to the Dornbusch et al. textbook.

Lectures end Friday October 18, 2024

**University Examination Period Semester 2
Begins Monday 21 October and end Saturday 9 November 2024**

Course Learning Resources

One useful resource is R. Dornbusch, S. Fischer, and R. Startz (2014) *Macroeconomics*, 12th Edition, McGraw Hill. The text is available at the University Book Shop and will be put on Reserve at the Central Library. Previous editions are also fine to use, but please be aware that chapter and page numbers will vary across editions. Please also check Blackboard for additional readings.

Blackboard

Blackboard <https://blackboard.otago.ac.nz/> provides you with access to course materials, class notices, and resources. Blackboard is used to email the whole class, so it is important that you check your student email and *Blackboard* regularly.

Class Representatives

Class representatives are an important means of communication between students and staff. Contact details for your student class representatives can be found on the Blackboard page for this paper.

Student Webmail

IMPORTANT - DO THIS NOW:

We will use your **student email account** to email you information relevant to your study at Otago. To forward your University email address to an email address that you use regularly:

1. Log into your StudentMail account (<http://www.otago.ac.nz/smlanding/>) using your student username and password.
2. Click the **Cog** button (top right corner).
3. Click on **Mail** under **Your App Settings**.
4. Under **Accounts** on left hand side, select **Forwarding**.
5. Under the Forwarding heading, type in the email address you want your email to be forwarded to. You can also choose to have a copy of these emails kept on your StudentMail account, so please check the box if you would like this.
6. Click the **Save** button.

Quality Assurance

At the Otago Business School we monitor the quality of student learning and your learning experience. Your assessed work may be used for assurance of learning processes, such as evaluating the level of achievement of learning outcomes, with the aim of improving the quality of our programmes. All material used for quality assurance purposes will be treated as confidential and the outcome will not affect your grades.

Grading System

The grading scheme used at Otago is:

A+	90-100	C+	60-64
A	85-89	C	55-59
A-	80-84	C-	50-54
B+	75-79	D	40-49
B	70-74	E	<40
B-	65-69		

Academic Integrity and Academic Misconduct (Plagiarism)

Students should ensure that all submitted work is their own. Plagiarism is a form of academic misconduct (cheating). It is defined as copying or paraphrasing another's work and presenting it as one's own. Any student found responsible for academic misconduct in any piece of work submitted for assessment shall be subject to the University's dishonest practice regulations, which may result in serious penalties, including forfeiture of marks for the piece of work submitted, a zero grade for the paper, or in extreme cases, exclusion from the University. The University of Otago reserves the right to use plagiarism detection tools.

Students are advised to inform themselves about university policies concerning dishonest practice and take up opportunities to improve their academic and information literacy. If necessary, seek advice from academic staff, or the Student Learning Centre. The guideline for students is available at this link: <http://www.otago.ac.nz/study/academicintegrity/index.html>

Student Learning Support and Information

Student Charter

<http://www.otago.ac.nz/about/otago005275.html>

Guidelines for Learning at Otago

<https://www.otago.ac.nz/hedc/otago616123.pdf>

<http://hedc.otago.ac.nz/hedc/learning/>

Student Learning Centre

The Student Learning Centre, which is part of the Higher Education Development Centre, provides learning support, free of charge, to ALL enrolled students. Their services include:

- a workshop programme designed to help students to improve their learning strategies and their generic skills;
- individual assistance with learning issues;
- on-line study skills advice
- a student leadership programme
- a student-led peer support programme for students of all ages and backgrounds.
- conversational English groups for students from a non-English speaking background

The Centre also provides two very helpful study guides, "Guidelines for Writing and Editing" and "Writing University Assignments" and these are available on the SLC website.

<http://slc.otago.ac.nz/>

Library Support

The Library website <http://www.otago.ac.nz/library> provides access to resources and services, including group room bookings, library hours and locations, past exam papers, subject guides, article databases and more.

If you need assistance either check out the self-help guides <http://otago.libguides.com/selfhelp>, or ask Library staff at the ground floor service desks, or email ask.library@otago.ac.nz

Disability Information and Support

Students are encouraged to seek support if they are having difficulty with their studies due to disability, temporary or permanent impairment, injury or chronic illness. It is important to seek help early, through one of the contacts below:

Website: <http://www.otago.ac.nz/disabilities>
65 Albany St, West Lane, ISB, Student Services
Tel: +64 3 479 8235 Email: disabilities@otago.ac.nz

Pacific Student Support Facilitators

Malo e lelei

Falaviena Faiva works part-time in the Dean's Office at the Otago Business School, Division of Commerce. Falaviena is of Tongan descent and one of our two Pacific Student Support Facilitators. She responsible for all second-year Pacific students within the division.

Falaviena is a University of Otago, Humanities and Commerce graduate and is currently completing a Postgraduate Commerce degree in International Business.

Deans Office, Otago Business School
Division of Commerce
Email: viena.faiva@otago.ac.nz
Cell Phone: 021 279 0914

Bula Vinaka

Jekope Ramala Maiono also works part time in the Dean's Office at the Otago Business School, Division of Commerce.

Maiono is of Fijian descent and our other Pacific Student Support Facilitator. He is responsible for all first-year Pacific students in the division.

Maiono is a University of Otago Commerce graduate, also studying a PHD degree in the Division of Humanities.

Deans Office, Otago Business School
Division of Commerce
Email: jekope.maiono@otago.ac.nz
Cell Phone: 021 279 0871

Kaiāwhina Māori | Māori student support

Ben is the Kaiāwhina Māori (Māori student support) for Te Kura Pākihi | Otago Business School. He is able to answer any questions you may have about studying here at the University of Otago. He can provide information about scholarships, campus services, pastoral and financial care. Ben is also here to support those students who are studying away from their whānau, hapū and iwi, to ensure they feel safe and supported. He has a passion for the development of Rangatahi and understands the struggles that can come with academic life.

Tel +64 27 513 6991

Email ben.sommerville@otago.ac.nz

Student Feedback

We encourage your feedback. This can be in the form of contacting staff, participating in course evaluation surveys, and communicating with class representatives. Continual improvements will be made to this course based in part on student feedback.

Class Representatives

The class (or student) representative system is an avenue for encouraging communication and consultation between staff and students. It provides you with a vehicle for communicating your views on the teaching and delivery of the paper and provides staff with an opportunity to communicate information and gain constructive feedback from students. It contributes to the development of a sense of community within a department and it adds a further dimension to the range of support services offered to students.

Volunteers for the role of class representatives will be called early in the semester. The OUSA invites all class representatives to a training session, conducted by OUSA, about what it means to be a class representative and some of the possible procedures for dealing with issues that arise. They also provide information on the services that OUSA offers and the role OUSA can play in solving problems that may occur. The OUSA provides support to class representatives during the semester. Departmental staff will also meet with class representatives during the semester to discuss general issues or matters they wish to have considered.

Your class representative's name and contact details will be posted on Blackboard early in the semester.

Concerns about the Course

We hope you will feel comfortable coming to talk to us if you have a concern about the course. The Course Co-ordinator will be happy to discuss any concerns you may have. Alternatively, you can report your concerns to the Class Representative who will follow up with departmental staff. If, after making approaches via these channels, you do not feel that your concerns have been addressed, there are University channels that may aid resolution. For further advice or more information on these, contact the departmental administrator or head of department.

Disclaimer

While every effort is made to ensure that the information contained in this document is accurate, it is subject to change. Changes will be notified in class and via Blackboard. Students are encouraged to check Blackboard regularly. It is the student's responsibility to be informed.