

ECON 3016 MACROECONOMIC ISSUES

Credit Points 10

Legacy Code 200546

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Description In 2016, this unit replaced by 200926 - Macroeconomic Measures and Models. Macroeconomic Issues provides tools to assess competing explanations, predictions and policy recommendations regarding the macroeconomy. Building on the introductory concepts, measures and simple theories, this unit develops a comprehensive model for identifying and quantifying the sources and mechanisms of macroeconomic change. A systematic modelling approach reveals whether differences are rooted in assumptions or empirical claims. We focus on Australia, but consider controversies relating to the USA, Asia and Europe, given their impact on global conditions and the lessons they offer for Australia. Topics include productivity and growth, the determinants of unemployment and inflation, the role of exchange rates in adjustment, and monetary and fiscal policy design.

School Business

Discipline Economics

Student Contribution Band HECS Band 4 10cp

Check your HECS Band contribution amount via the Fees (https://www.westernsydney.edu.au/currentstudents/current_students/fees/) page.

Level Undergraduate Level 3 subject

Pre-requisite(s) ECON 1013 OR
ECON 2007 OR
LGYA 4311

Equivalent Subjects LGYA 4317 - Macroeconomic Theory and Practice

Assumed Knowledge

It is assumed that students will have an understanding of economic methods.

Learning Outcomes

On successful completion of this subject, students should be able to:

1. Compare and contrast alternative theories of theories of consumption and investment;
2. Apply economic models to explain or predict changes in policy or the environment;
3. Critically evaluate alternative theoretical approaches as variants of the standard models;
4. Interpret and evaluate empirical findings relating to macroeconomic relationships;
5. Actively participate in discussion of current issues in macroeconomic theory, empirical studies and policy.

Subject Content

Review of basic concepts and measures:

- Standard models: Investment Saving ? Liquidity preference Money supply (IS-LM), Investment Saving ? Liquidity preference Money supply ? Balance of Payments (a.k.a Mundell-Fleming model) (IS-LM-BP), Aggregate Supply ? Aggregate Demand (AS-AD) (as in Blan

- Okun?fs Law, growth, and The non-Accelerating inflation rate of unemployment (NAIRU): The Standard model.

Aggregate consumption and investment: theories and evidence
New Classical, New Keynesians and Post-Keynesians Schools of macroeconomic thought

Economic Growth: theories and evidence

Unemployment and Inflation: alternative theories and evidence

Overview of macroeconomic policy tools and dilemmas

Fiscal policy controversies

Monetary policy controversies

The exchange rate and external balance

Macroeconomic dilemmas and controversies in the USA, Asia and Europe

Teaching Periods