
VICTORIA UNIVERSITY OF WELLINGTON
Te Whare Wānanga o te Ūpoko o te Ika a Māui



VICTORIA
MANAGEMENT SCHOOL
Te Kura Whakahaere

MMBA 577

Open Macroeconomics: Operational Implications

COURSE OUTLINE

Start Date:	24 February 2005
Format:	One two-hour session each week.
Lecture Times:	Thursdays, 17:40 – 19:30
Location:	Teaching Staff: Paul Dickie
	Office: Rutherford 1003
	Email: paul.dickie@vuw.ac.nz
	Telephone: 463-5085 Fax: 463-5084
Textbook:*	Fredick C. Mishkin The Economics of Money, Banking, and Financial Markets, Sixth Edition, Addison Wesley.

* - In addition to the textbook, this course will rely on materials from a variety of sources, including government, practitioner and academic journals.

Course Objectives

The Master of Business Administration Programme serves to produce professional managers capable of fulfilling strategic roles within corporate and government enterprises. Integral to this capability is an understanding of macroeconomics, especially in small, open economies like New Zealand and the impacts of those developments on business operations.

This course aims to provide students with a solid theoretical base upon which a practical framework for managing and succeeding in the workplace can be established. The scope of this course, being the initial macroeconomic offering in the MBA programme, is broad. All the principal areas of macroeconomics will be covered with the emphasis on open economy models involving national accounts, economic growth, fiscal, monetary and external policies together with their impacts on business operations. The emphasis will be on understanding the impacts of policy changes on an open economy and the resulting implications for business operations.

By the end of this course, you should:

1. Have an understanding of the major theories and concepts underlying open macroeconomics.
2. Have a sense of how policy makers will react to changing economic circumstances.
3. Have a strategic perspective with respect to the linkages and interrelationships between open economy macroeconomics and the operations of a business in that environment.

Course Assessment

Take home midterm due 29 April	30%
Paper due 3 June	60%
Class participation/presentation	10%

Course Terms of Reference

Late Assignments

In fairness to other students, work submitted after the deadline will be subject to a penalty of 5% of the total marks available per day of lateness. Assignments more than one week late will not be accepted. A “zero” mark will be applied. In the event of unusual, unforeseen circumstances (e.g., serious illness, family bereavement), students should discuss waiver of the penalty with the course controller prior to the deadline date.

Passing the Course

In order to pass this course, students are required to obtain at least forty percent of the final examination marks available, and obtain at least fifty percent of the overall course marks available.

Victoria MBA Grading Standards

- Victoria MBA - **Excellent** Category
A (80 – 85%) to A+ (above 85%): The quality is performed to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master’s level.
- Victoria MBA - **Very Good** Category
B+ (70 – 74%) to A- (75 – 79%): The quality is performed at a high standard. Students have reached a level which clearly exceeds “competency”.
- Victoria MBA - **Good** Category
B- (60 – 64%) to B (65 – 69%): The quality is clearly demonstrated without being exceptional in any way. Students can be thought of as competent in respect of this quality.
- Victoria MBA - **Satisfactory** Category
C (50 – 54%) to C+ (55 – 59%): The quality is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to “fail” the student on this quality.
- Victoria MBA - **Unsatisfactory** Category
E (0 – 39%) to D (40 – 49%): The quality is absent or performed to a very low level, or the performance is seriously flawed in this respect.

Individual Work

While the Victoria MBA programme has a tradition of study group collaboration, there are important elements in the assessment process that are strictly individual. Collaboration on individual assignments is not allowed beyond general discussion as to how one might interpret the nature of the assignment question. Please do not work together to formulate a response and do not loan out your completed assignments.

Plagiarism

The Victoria MBA programme views plagiarism as a serious offence. Students who plagiarise put themselves at risk of expulsion from the programme.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures contained in the statutes in the VUW website.

Lecture Schedule - MMBA 577 - 2005

Week Date Topic Basic Reading

24 February	Introduction and Exploration of National Accounts	Class Handouts
3 March	Fiscal Policy and Generational Accounts	Class Handouts
10 March	Money - Its Nature and Significance	Chapters 1-3
17 March	Financial Markets, Interest Rates and Investment	Chapters 4-7
24 March	Foreign Exchange Markets	Chapter 8
24 March	<i>Deadline for Approval of Paper Topic; Handout of Take Home Exam</i>	
14 April	<i>Deadline for Submission of Mid-Term Take Home Exam</i>	
14 April	Monetary Policy	Chapters 16-18
21 April	Growth Accounting - The Limits to Growth	Class Handouts
28 April	International Monetary System - Balance of Payments, International Reserve and Debt Position	Chapter 20
5 May	International Capital Markets	Class Handouts
12 May	Policy Impacts - Exchange Rate Policy & Interdependence with Monetary Policy	Chapters 22-25
19 May	Globalisation and Business Implications of Economic Policy	Class Handouts
26 May	Submission/Brief Presentations & Discussion of Topics Analysed in Papers	