

School of Economics and Finance

MMAF521 MACROECONOMIC PROCESSES AND FINANCIAL MANAGEMENT

Trimester One 2012

COURSE OUTLINE

Names and Contact Details

The course coordinator is Martin Berka, room RH202. The preferred form of contact is email: martin.berka@vuw.ac.nz

The administrator for this course is Anna Potts, room RH307, email: viaf-programme@vuw.ac.nz, phone: 04 463 6148.

Trimester dates

Study/Teaching period: March 5 – July 4, 2012

Block release times

Block 1 9:30AM Saturday April 14 – 12:30PM Monday April 16, 2012

Block 2 9:30AM Saturday June 9 – 12:30PM Monday June 11, 2012

A detailed schedule of each block release course will be supplied closer to the April and June sessions. **Attendance at all sessions of both block releases is compulsory.**

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 16 March 2012.
2. The standard last date for withdrawal from this course is May 18th, 2012. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

TBA

Course Content

The course is organized in two parts, corresponding to the two block releases.

Part A: The domestic macroeconomic environment. This first block discusses the domestic economy in the short run highlighting modern analytical tools currently used by policy-makers and researchers worldwide. We first discuss the role and the determination

of investment, asset prices, consumption, income and inflation at a macroeconomic level. We link them all in a modern version of the AS-AD model, and conclude with the analysis monetary and fiscal policy.

Part B: The international macroeconomic environment. The second block consists of two parts. At first we extend the analysis from Part A to an international setting. This will bring forward important topics of the role and the optimality of fixed and flexible exchange rates. We conclude the block with some analysis of important recent economic developments, such as the Global financial crisis and the ongoing European debt crisis.

Course Learning Objectives

Students should be able to:

- Explain the macroeconomic determination of investment and asset prices
- Demonstrate the determination of components of the aggregate demand
- Analyze the determinants of inflation and monetary policy
- Analyze the determinants of business cycles and stabilization policy
- Demonstrate the differences of the AD-AS analysis in an open economy
- Analyze the determination of exchange rates, and the optimality of fixed and flexible exchange rates
- Describe the main drivers of the Global Financial Crisis, and the European Debt Crisis, and explain how they fit into the short run model we study

Course Delivery

The contact hours of the course will be during the two block releases detailed above. During the rest of the trimester, students will be expected to be engaged in self directed study using their printed notes and material posted on Blackboard, and completing assignments which will be posted on Blackboard

Expected Workload

Total point-equivalent workload assessed as 200 hours. During the 6 weeks of term prior to each block release, students will need to allow at least 14 hours per week for study, research and preparation of assignments for this course. The two block releases each involve approximately 18 hours of work.

Group Work

Group work will not form part of the assessment for this course.

Readings

The main textbook for the course is:

Introducing Advanced Macroeconomics: Growth and Business Cycles, by Peter Birch Sorensen and Hans Jorgen Whitta-Jacobsen, Second edition, 2011.

The course will draw primarily on the second half of the main textbook which deals with the short run. In addition, we will use a number of articles, especially in the analysis of the Global financial crisis and the European debt crisis. These, as well as the lecture notes, will be available on Blackboard prior to each block release.

Materials and Equipment

Students should be familiar with Microsoft Excel. Occasionally, a calculator may be helpful.

Assessment Requirements

To pass, a student must obtain an average mark of at least 50% over total course assessment. The following schedule of assessment applies:

Exams:	One test at each block release session based on reading assigned for period leading up to the block release and material presented at the block release.	60%
Assignments:	Two major assignments counting together for 40% The first assignment is due on Friday, March 30. The second assignment is due on Friday, May 25.	40%
Total Assessment:		100%

Assignments have to be typed and may contain graphs, tables, appendices where appropriate. In order for the assignments to be checked for plagiarism using Turnitin (see below for details), they **have to be submitted electronically (online) on Blackboard**, in either pdf, doc, docx, or rtf format.

Quality Assurance Note

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be scheduled at some time during the period from Friday 15 June – Wednesday 4 July (inclusive).

Penalties

Each of the two major assignments will be marked out of a maximum that diminishes by 5% for every day late. The date of submission will be taken as the date of delivery or the day of postmark, if by post. There will be a final cut off date (normally one week after due date) advised for each assignment, after which no assignment can be accepted.

Mandatory Course Requirements

To pass, a student must attend all sessions of both block release courses and obtain an overall course mark of 50% or better.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

Additional information about the course will be communicated via Blackboard.

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

Find key dates, explanations of grades and other useful information at

www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy, except qualification statutes, which are available via the Calendar webpage at

<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/>

Te Putahi Atawhai

Maori and Pacific Mentoring Programme

http://www.victoria.ac.nz/st_services/tpa/index.aspx