

## ECOM90012 Modelling the Australian Macroeconomy

<b>Credit Points:</b>	12.5												
<b>Level:</b>	9 (Graduate/Postgraduate)												
<b>Dates &amp; Locations:</b>	2016, Parkville This subject commences in the following study period/s: Semester 2, Parkville - Taught on campus.												
<b>Time Commitment:</b>	Contact Hours: 3 hours of lectures/seminars per week. Total Time Commitment: Estimated total time commitment of 120 hours per semester												
<b>Prerequisites:</b>	ECON40002 Advanced Macroeconomics and one of ECOM40006 Econometric Techniques or ECOM90013 Econometric Techniques <table border="1"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>ECON40002 Advanced Macroeconomics</td> <td>Semester 1</td> <td>12.50</td> </tr> <tr> <td>ECOM40006 Econometric Techniques</td> <td>Semester 1</td> <td>12.50</td> </tr> <tr> <td>ECOM90013 Econometric Techniques</td> <td>Semester 1</td> <td>12.50</td> </tr> </tbody> </table>	Subject	Study Period Commencement:	Credit Points:	ECON40002 Advanced Macroeconomics	Semester 1	12.50	ECOM40006 Econometric Techniques	Semester 1	12.50	ECOM90013 Econometric Techniques	Semester 1	12.50
Subject	Study Period Commencement:	Credit Points:											
ECON40002 Advanced Macroeconomics	Semester 1	12.50											
ECOM40006 Econometric Techniques	Semester 1	12.50											
ECOM90013 Econometric Techniques	Semester 1	12.50											
<b>Corequisites:</b>	None												
<b>Recommended Background Knowledge:</b>	Please refer to the prerequisites.												
<b>Non Allowed Subjects:</b>	ECOM40005 Modelling the Australian Macroeconomy <table border="1"> <thead> <tr> <th>Subject</th> <th>Study Period Commencement:</th> <th>Credit Points:</th> </tr> </thead> <tbody> <tr> <td>ECOM40005 Modelling the Australian Macroeconomy</td> <td>Not offered 2016</td> <td>12.50</td> </tr> </tbody> </table>	Subject	Study Period Commencement:	Credit Points:	ECOM40005 Modelling the Australian Macroeconomy	Not offered 2016	12.50						
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ECOM40005 Modelling the Australian Macroeconomy	Not offered 2016	12.50											
<b>Core Participation Requirements:</b>	<p>&lt;p&gt;For the purposes of considering request for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Student Support and Engagement Policy, academic requirements for this subject are articulated in the Subject Overview, Learning Outcomes, Assessment and Generic Skills sections of this entry.&lt;/p&gt; &lt;p&gt;It is University policy to take all reasonable steps to minimise the impact of disability upon academic study, and reasonable adjustments will be made to enhance a student's participation in the University's programs. Students who feel their disability may impact on meeting the requirements of this subject are encouraged to discuss this matter with a Faculty Student Adviser and Student Equity and Disability Support: &lt;a href="http://services.unimelb.edu.au/disability"&gt;http://services.unimelb.edu.au/disability&lt;/a&gt;&lt;/p&gt;</p>												
<b>Coordinator:</b>	Prof Guay Lim												
<b>Contact:</b>	Email: <a href="mailto:ghlim@unimelb.edu.au">ghlim@unimelb.edu.au</a> (mailto:ghlim@unimelb.edu.au)												
<b>Subject Overview:</b>	This subject examines the use of open economy macroeconomic models in economic policy analysis. Topics include: important Australian macroeconomic data sets; the design of macroeconometric and VAR models of the Australian economy; the derivation of policy multipliers; policy simulation techniques and sensitivity analysis of economy-wide models; recent developments in the theory of economic growth; and an examination of some current issues in macroeconomic policy.												
<b>Learning Outcomes:</b>	On successful completion of this subject students should be able to:												

	<ul style="list-style-type: none"> <li># Explain the limitations of static comparative-equilibrium analysis (including IS-LM) for policy formation and evaluation;</li> <li># Evaluate the role of Walras' Law in macroeconomic modelling;</li> <li># Apply models to capture dynamic elements in markets and ensure a consistent relationship between stocks and flows;</li> <li># Identify recursive elements of models involving a number of structural equations;</li> <li># Apply numerical algorithms to solve non-linear and simultaneous models;</li> <li># Describe the differences between short and long run policy multipliers;</li> <li># Express a system of linear equations in matrix form and solve the system for relevant multipliers;</li> <li># Describe and evaluate alternative models of the equilibrium rate of unemployment;</li> <li># Describe and evaluate alternative models of the demand for stocks of financial assets, including money;</li> <li># Explain models of household consumption behaviour;</li> <li># Explain and evaluate competing models of production and economic growth;</li> <li># Identify the various rules used to solve both static and dynamic economic models;</li> <li># Analyse the documentation that accompanies models of the Australian economy;</li> <li># Perform policy simulations and analyse the results.</li> </ul>
<b>Assessment:</b>	A 2-hour end-of-semester examination (60%) Four individual 750 word class assignments worth 10% each - (40%). Due in weeks 3, 6, 9 and 12.
<b>Prescribed Texts:</b>	You will be advised of prescribed texts by your lecturer.
<b>Breadth Options:</b>	This subject is not available as a breadth subject.
<b>Fees Information:</b>	Subject EFTSL, Level, Discipline & Census Date, <a href="http://enrolment.unimelb.edu.au/fees">http://enrolment.unimelb.edu.au/fees</a>
<b>Generic Skills:</b>	<p>On successful completion of this subject, students should have improved the following generic skills:</p> <ul style="list-style-type: none"> <li># high level of development: statistical reasoning; application of theory to practice; interpretation and analysis; critical thinking; synthesis of data and other information; receptiveness to alternative ideas.</li> <li># moderate level of development: oral communication; written communication; collaborative learning; problem solving; evaluation of data and other information; use of computer software.</li> <li># some level of development: team work; accessing data and other information across a range sources.</li> </ul>
<b>Notes:</b>	Students may not gain credit for both ECOM90012 Modelling the Australian Macroeconomy and ECOM40005 Modelling the Australian Macroeconomy.