



# COURSE OUTLINE

ECON112

Principles of Macroeconomics

Semester Two 2025

## Paper Description and Aims

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Continues on from BSNS113 and extends the analysis of predominantly market economies and how they work as a whole, both in New Zealand and international contexts. This course introduces students to macroeconomics. Some of the topics include: economic growth, natural rate of unemployment, inflation, fiscal policy and the Global Financial Crisis.

Prerequisite: BSNS113

## Learning Outcomes

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This course follows on from BSNS113. The emphasis is on understanding economic principles and models, and their application to real world issues. It is your understanding of the principles and models, and your ability to apply them to real world situations that will be examinable. It is in tutorials that you will develop these skills, so you should consider attendance at tutorials to be just as important as attending lectures, if not more so.

## Teaching Staff and Enquiries

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If you wish to change tutorial streams, please email Terry Kerr ([terrence.kerr@otago.ac.nz](mailto:terrence.kerr@otago.ac.nz)). All other administrative queries should also go to Terry unless stated otherwise in this course outline.

When emailing us the subject line must contain **course name, student ID, and your full name**. Please email from your university student email account to diminish the possibility of emails being directed to spam/junk folders.

For enquiries about course content (that is, what is covered in class) please contact the lecturer concerned (contact details are given below).

**Paper Coordinator and Lecturer** Viktoria Kahui; OBS618  
viktoria.kahui@otago.ac.nz

**Lecturer** Terry Kerr; OBS604  
terrence.kerr@otago.ac.nz

## Course Delivery

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**Weekly lectures** time and place TBA.

**Lecture recordings:** The lecture recording will be made available within 24 hours.

**Tutorials** begin in the **second** week of the semester (check Evision for time and venue). You will be allocated to a tutorial stream and this will be available in Evision. Tutorial times and locations will be posted on Blackboard during the first week of lectures. **If you wish to change tutorial group please email Terry Kerr ([terrence.kerr@otago.ac.nz](mailto:terrence.kerr@otago.ac.nz)).**

Model answers to tutorial questions will **NOT** be provided under any circumstances, nor will tutorials be recorded.

## Expectations and Workload

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The University's workload 'rule of thumb' for an 18 point Semester course is **10 hours per week**. Four of these hours are spent in lectures and a tutorial each week – leaving six hours per week for your own reading, study and revision, and working through the weekly quiz.

## Course Learning Resources

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GANS, KING, STONECASH, BYFORD, LIBICH AND MANKIW, 2018. *Principles of Economics: Asia Pacific Edition*, 7<sup>th</sup> edition. Melbourne: Cengage Learning.

You can access the material in the textbook in a variety of ways:

- Buy a new paperback copy from the University Bookshop for \$174.50.
- Buy an electronic copy of the textbook for \$79.95 from the publisher's website (use discount code 'kiwi10': <https://nz.cengage.com/c/etextbook-principles-of-economics-9e-gans-king-byford-mankiw/9780170479875/>)
- Buy a second-hand copy of the 5<sup>th</sup>, 6<sup>th</sup> or 7<sup>th</sup> ed. on the 'informal' market, price negotiable.
- Borrow one of six copies on two-hour reserve in the Central Library

# Assessment

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All material presented is examinable (except where stated otherwise) by fortnightly MC tests, the mid-semester test and the final examination. All important assessment information such as due dates and times, content, guidelines and so on will be discussed at 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.*

Your learning will be assessed in three ways:

Assessment	Weight	Plussage
Fortnightly MC tests	16%	No
Mid-semester test	24%	Yes
Final examination	60%	Not applicable

**Fortnightly Multiple Choice (MC) tests.** Every second Monday at 6pm, **starting Monday 21 July**, we will post a MC test on Blackboard. Each MC test will consist of 15 multiple choice questions similar to what you can expect to see on the mid-semester test and final exam. The MC test will be available to work on for two weeks only, when the next MC test will appear.

You submit your answers to the MC test on Blackboard, which marks your MC test automatically and posts your result to Grade Centre. You are welcome, in fact encouraged, to work with other people on the MC test, but **you must submit your answers individually**.

There will be a **total of 5 MC tests**. Each of your **four best** MC tests (so you can miss one!) will count up to 4 marks (4%) toward your final course mark. If you get fewer than 15 answers correct, you will receive the relevant percent of a mark for the MC test, e.g. if you get twelve correct you get a mark of 0.8 for the MC test.

**Mid-semester test.** We are planning on holding the mid-semester test in the **week beginning 18 August 2025**, either during lecture time or in the evening. The date and time will depend on room availability and we will let you know the date of the test as soon as this is confirmed. It will consist of **multiple-choice questions only**. More details will be provided closer to the time.

If you miss the test due to:

1. Serious illness or injury.
2. Testing positive for Covid-19, on the day or in the 7 days before the test.
3. Bereavement of a significant other.
4. Serious psychological impairment.
5. Critical personal circumstances involving the health or wellbeing of a relative or close friends.
6. Other exceptional circumstances beyond your control (e.g. natural disaster, damage to significant property, impacts arising from being the victim of a crime, etc.).

**If any of these apply please contact the course coordinator (Viktoria).** You will be offered the option of sitting an alternative test at a time to be determined but likely in the week beginning 25 August. If you're unable to sit the alternate test, either due to continuing impairment or the time does not suit, **plussage will automatically apply.**

If you have other reasons for missing the test, e.g., a sports practice or match, plussage automatically applies – it's your choice if you sit or skip the test.

**Final exam.** The final exam covers material from any part of the course, and consists of **multiple-choice questions only**. The final exam is of **two hours** duration. The date and time of the exam will appear in your exam timetable in Evision later in the semester. More details will be provided closer to the time.

Past exams for ECON112 are not available on either *Blackboard* or the Library's exam webpage. However, you get to see 15 multi-choice questions every week that are similar to the questions on the mid-semester test and final exam. There are additional multi-choice questions at the end of every chapter in the textbook.

**Plussage** means that your mid-semester test mark will count towards your final mark **only if** it exceeds (in percentage terms) your final exam mark. We calculate your final mark in two ways:

weekly quizzes (16%) + mid-semester test (24%) + final exam (60%)

weekly quizzes (16%) + final exam (84%)

Your final mark is the higher of the two. So, if your mid-semester test mark in percentage terms is lower than your final exam mark (*or if you were absent from the mid-semester test*) then your final exam mark contributes 84% to your final mark.

The aim of plussage is to enable students who perform poorly on an internal assessment to demonstrate improvement on the final exam. Your grade thereby better reflects what you know at the end of the paper.

The risk with plussage is that it can tempt you to skip the mid-semester test or not prepare for it seriously. We advise that you resist this temptation because:

- Studying for the test helps prepare you for the final exam and the material in the second half of the semester.
- The test provides feedback on how well you are coping with the course material.
- It is likely that studying for and sitting the mid-semester test will improve your final mark because many people do better on the test than on the final exam (in percentage terms).
- Your performance on the mid-semester test factors in to determine your eligibility for 'Special Consideration' should you be ill or otherwise impaired during the final exam.

**Your scores on MC tests and the mid-semester test will be posted on Blackboard's Grade Centre.** Make sure that you check occasionally to verify that internal assessments are getting recorded properly.

### **Late or Missed MC tests**

Extensions **CANNOT** be given for the fortnightly MC test because all answers become available after the deadline. The MC test is marked automatically at the due date and time.

One of the reasons we count only the best 4 MC test marks (out of 5) is in recognition that you may have a good reason for missing the deadline for one MC test during the course. If you think you have a good reason for missing the deadline for more than one MC test, **please contact the course coordinator (Viktoria)**.

## **Course Outline**

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### **Weeks 1-6: Viktoria (V)**

- Chapter 24. Measuring a nation's income
- Chapter 25. Measuring the cost of living
- Chapter 26. Production and growth
- Chapter 27. Saving, investment and the financial system
- Chapter 28. The natural rate of unemployment
- Chapter 29. The monetary system
- Chapter 30. Inflation: Its causes and costs

### **Weeks 7-13: Terry (T)**

- Chapter 31. Open economy macroeconomics: Basic concepts
- Chapter 32. A macroeconomic theory of the open economy
- Chapter 33. Aggregate demand and aggregate supply
- Chapter 34. The influence of monetary and fiscal policy on aggregate demand
- Chapter 35. The short-run trade-off between inflation and unemployment
- Chapter 36. Global Financial Crisis of 2008 and beyond

# Student Learning Support and Information

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## Student Charter

<http://www.otago.ac.nz/about/otago0005275.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\\_p](http://www.otago.ac.nz/library_p) 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](mailto:ask.library@otago.ac.nz)

## **Pacific Islands' Student Academic Adviser**

Warm Pacific Greetings

Talofa lava, my name is Esmay Eteuati and my role is to liaise with Academic Departments and Student Services relating to Pacific students' and their course of study. I support both staff and third year and above students in the Business School and have a network of Pacific contacts in other Divisions around the University.

Email: [esmay.eteuati@otago.ac.nz](mailto:esmay.eteuati@otago.ac.nz)

Tel: 03 479 4756



## **Pacific Student Support Facilitators | Taunaki Taurira Pāsifika**

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 is one of our two Pacific Student Support Facilitators. She is responsible for all first-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.

Email: [viena.faiva@otago.ac.nz](mailto: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 second Pacific Student Support Facilitator. He is responsible for all second year Pacific students in the division. Maiono is a University of Otago Commerce graduate, also studying a PHD degree in the Division of Humanities.

Email: [jekope.maiono@otago.ac.nz](mailto:jekope.maiono@otago.ac.nz)

Cell Phone: 021 279 0871



## **Māori Student Support | Kaiāwhina Māori**

Ben Sommerville

Ben is the Kaiāwhina Māori (Māori student support) for Te Kura Pākihi | Otago Business School. He will 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.

Email: [ben.sommerville@otago.ac.nz](mailto: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 Coordinator 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.