

... (17 - 10%)  
This assessment addresses the following subject learning outcomes:

- a) Assess economic systems within the context of resource allocation.
- b) Apply and appraise the fundamental principles of microeconomics and macroeconomics.
- d) Determine the effect of changes in macroeconomic indicators on business activity and evaluate the effect of monetary and fiscal policy changes on the business environment.
- e) Interpret regulatory and political environments and how they impact on business.

Due by 11:55pm AEST/AEDT Sunday end of Module 6.1.

40%

100 marks



Using your allocated pair of countries, you are expected to address parts (a) to (e) below.

- (a) Provide comparative statistics on real GDP growth rate, unemployment rate and inflation rate for the last 10 years. (15 marks)
- (b) Explain how the identified macroeconomic indicators above are related to each other in the context of the observed data and theoretical expectations. You are expected to aid your discussion with graphical illustrations. What key factors are driving the macroeconomic indicators? (15 marks)
- (c) Based on academic literature and other authentic sources, critically evaluate the extent to which the pair of countries assigned to you has successfully applied monetary policy in 2020 and 2021 following the advent of COVID-19. With solid justification, explain which country has been more successful. (10 marks)
- (d) Based on academic literature and other authentic sources, critically evaluate the extent to which the pair of countries has used fiscal policy to deal with the adverse effects of a COVID-19 recession. (10 marks)
- (e) Using information from three peer review journal articles, critically evaluate the success of inflation targeting, a monetary policy approach adopted by some countries since the 1990s. (5 marks)



Consider the following as you work on this assignment:

- Use reliable data sources such as those of international organisations such as country government websites, IMF, World Bank, OECD, Asia Development Bank, CAF- Development Bank of Latin America, Africa Development Bank, journal articles by economists and academics
- Remember to cite inside the report the sources of information used and include the reference list at the end.
- You are expected to take a critical approach when writing the report.
- You will be assessed on how well you address the key questions in the assessments and how well you write the report.

Ensure you strictly follow the Report Format and you include an Executive Summary, Introduction and Conclusion that are properly prepared.



Although a number of countries since early 1990s have adopted Inflation Targeting as an important monetary policy tool for sound macroeconomic management, there are still many countries globally that are not using this approach. It is important to perform a comparative evaluation of a pair of such countries in the use of monetary policy during the first two years of COVID-19. In addition, it is vital to also compare how the countries have used fiscal policy to support monetary policy in fending off negative effects of a COVID-19 induced recession. The purpose of this assessment is to test:

- Your understanding of core macroeconomic concepts and policy instruments.
- Your ability to analyse and apply the core concepts in a contemporary situation affecting an economy.