2019 Macroeconomics 102 Essay Topics

Essay 1 – Due Thursday 04 August 2019


Answer the following questions in properly referenced essay format:

1. Explain what the National Budget is, and what role it plays in fiscal policy.

2. One of the main focus areas of the 2019 National budget is the importance of economic growth:

   “Boosting South Africa’s economic growth, which is essential for job creation and improving the living standards of the people, requires different interventions and reforms” (South African National Treasury, 2019: 2).

* Explain how economic growth and the employment rate are calculated.
* Use data on economic growth and employment (and unemployment) to provide information on the economy of South Africa over the last 3 years;
* Using reliable sources, comment on the performance of the South African economy in 2018/19 (good, bad, about the same as before?).

3. What are some of the “interventions and reforms” suggested by the 2019 Budget? Include in your answer information on the sources of government income, and the largest spending categories in the 2019 Budget.

Sources:
Use the prescribed textbook and lecture notes for the theory. If you like, you can supplement this with references to other textbooks as well. Avoid blogs, Wikipedia and other online sources that don’t make it clear which (credible) organisation they represent.

For information on the South African economy, the South African Reserve Bank Quarterly Bulletins are a useful source. You can also find this information from Statistics South Africa, the National Treasury, or the World Bank. (Data needs to come directly from the SARB or Stats SA, not from secondary sources, such as newspapers, on online data banks like Investopedia).

For commentary on the recent performance of the South African economy, refer to the financial press, such as Business Day, Times Live, Sunday Times Business Times etc. Make sure the articles you use are recent (2019) and properly referenced (see booklet for referencing guide).
More information on data sources, and links to useful websites, are provided on the Eco102 Essay 1 LibGuide.

**Requirements**

- Your essay must be between 800 and 1000 words long and properly referenced (see referencing guide in the course booklet and on the course website). Incorrect or incomplete referencing will be penalised.

- Sources used must include: The textbook (for theory and definitions); Reliable source/s of economic data (more guidance will be provided in class); and at least **TWO** other credible, published sources.

- **Essays must be submitted with**
  - 1) a *completed evaluation form* (available on the RUConnected course website) and
  - 2) the *complete Turnitin report attached* (Link available on the RUConnected course website)

- Essays without these attachments will not be accepted for assessment and may result in the loss of your DP.

- **NOTE** that an LOA for the essay means that you *have an extension* of the deadline, **but that you still have to submit it**.
Essay 2 – Due Thursday 12 September 2019

The diagram above shows South Africa’s quarterly real GDP growth rates from 2012 to the fourth quarter of 2018 (SARB Quarterly Bulletin, March 2019:7). Referring to this data, answer the following questions in properly referenced essay format:

1. Explain the difference between “real” and “nominal” GDP, commenting on which one is more useful for tracking the growth rate of an economy.

2. Using the data above, and other credible sources, comment on South Africa’s GDP growth rate, including a discussion of the phases of the business cycle.

3. Using the AD/AS model, illustrate and explain what the appropriate fiscal policy response would be to return the economy to its Long Run potential output (assuming it is currently operating below Y*).

4. Explain why, for an economy in recession, the SARB might use expansionary monetary policy to return the economy to its long-run potential. [Diagrams not required].

Sources:


Other credible sources for commentary include:


More information on data sources, and links to useful websites, are provided on the Eco102 Essay 2 LibGuide.

**Requirements**

- Your essay must be between 800 and 1000 words long and properly referenced (see referencing guide in the course booklet and on the course website). Incorrect or incomplete referencing will be penalised.

- Sources used must include: The textbook (for theory and definitions); Reliable source/s of economic data; and at least **TWO** other credible, published sources.

- **Essays must be submitted with**
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- **NOTE** that an LOA for the essay means that you have an extension of the deadline, but that you still have to submit it.