

**UNIVERSITY OF WATERLOO**  
**Department of Economics**

**Term and Year of Offering:** Spring 2012

**Course Number and Title:** ECON 102 - 003 Introduction to Macroeconomics

**Lecture Times, Building, Room Number:** T, Th 10:00 – 11:20 A.M. HH 1101

**Instructor Name, Office Location, Office Hours, Contact:** M. Vaughan, HH 102, Monday and Wednesday 10:00 - 11:30 A.M., or by appointment, [mvaughan@uwaterloo.ca](mailto:mvaughan@uwaterloo.ca); ext. 36825

**Web Page:** <http://economics.uwaterloo.ca/fac-Vaughan.html>

**Course Description:**

This course provides an introduction to macroeconomic analysis relevant for understanding the Canadian economy as a whole. The determinants of national output, the unemployment rate, the price level (inflation), interest rates, the money supply and the balance of payments, and the role of government fiscal and monetary policy are the main topics covered.

**Course Objectives:** At the end of the course you should be able to:

- Describe the basic macroeconomic variables.
- Understand the models that determine the basic macroeconomic variables.
- Distinguish between the long run and the short run.

**Required Materials:**

**Text:** Mankiw, N. Gregory, et al, Principles of Macroeconomics, 5<sup>th</sup> Canadian Edition. Toronto: Nelson, 2011.

**Optional Materials:**

**Study Guide:** Mankiw, N. Gregory, et al, Principles of Macroeconomics, Study Guide, 5<sup>th</sup> Canadian Edition. Toronto: Nelson, 2012.

**Resources:** The lecture overhead slides and course outline (syllabus) are posted on Learn at:

**1125      ECON 102      Spring 2012**

**NOTE:** Overhead slides AND the course outline are found on the Content tab.

The Learn site is down occasionally. Download the slides to your computer. Always be prepared!

## **Course Outline**

### **Part 1 Introduction**

Chapter 1 Ten Principles of Economics

Chapter 2 Thinking Like an Economist (Exclude Appendix)

### **Part 3 The Data of Macroeconomics**

Chapter 5 Measuring a Nation's Income

Chapter 6 Measuring the Cost of Living

### **Part 4 The Real Economy In the Long Run**

Chapter 7 Production and Growth

Chapter 8 Saving, Investment, and the Financial System

Chapter 9 Unemployment and Its Natural Rate

### **Part 5 Money and Prices In the Long Run**

Chapter 10 The Monetary System

Chapter 11 Money Growth and Inflation

### **Part 6 The Macroeconomics of Open Economies**

Chapter 12 Open-Economy Macroeconomics: Basic Concepts  
(Pages 269- 285 only.)

### **Part 7 Short-Run Economic Fluctuations**

Chapter 14 Aggregate Demand and Aggregate Supply

Chapter 15 The Influence of Monetary and Fiscal Policy on  
Aggregate Demand

**Topics To Be Covered In Lectures:** The following list is meant as a guideline.

<b>Date</b>	<b>Topic</b>	<b>Textbook Chapter</b>	
Wk 1	May 1	Ten Principles of Economics	Chapter 1
	May 3	Thinking Like An Economist	Chapter 2
Wk 2	May 8	The Real Economy	Chapter 5
	May 10	The Cost of Living	Chapter 6
Wk 3	May 15	Production and Growth	Chapter 7
	May 17	Production and Growth	Chapter 7
Wk 4	May 22	<b>NO CLASS</b>	
	May 24	LR Closed Economy Model	Chapter 8
<b>MIDTERM EXAM Friday, May 25, 2012, 4:30 – 6:00 p.m. (Covers Chapters 1, 2, 5, 6)</b>			
Wk 5	May 29	Long Run Unemployment	Chapter 9
	May 31	Long Run Unemployment	Chapter 9
Wk 6	Jun 5	The Monetary System	Chapter 10
	Jun 7	The Monetary System	Chapter 10
Wk 7	Jun 12	Money Growth and Inflation	Chapter 11
	Jun 14	Money Growth and Inflation	Chapter 11
Wk 8	Jun 19	Money Growth and Inflation	Chapter 11
	Jun 21	Open-Economy Macroeconomics	Chapter 12

**MIDTERM EXAM Friday, June 22, 2012, 4:30 – 6:00  
p.m. (Covers Chapters 7, 8, 9, 10)**

Wk 9	Jun 26	AD / AS	Chapter 14
	Jun 28	AD / AS	Chapter 14
Wk 10	Jul 3	AD / AS	Chapter 14
	Jul 5	AD / AS	Chapter 14
Wk 11	Jul 10	Monetary / Fiscal Policy	Chapter 15
	Jul 12	Monetary / Fiscal Policy	Chapter 15
Wk 12	Jul 17	Monetary / Fiscal Policy	Chapter 15
	Jul 19	Monetary / Fiscal Policy	Chapter 15
Wk 13	Jul 24	Monetary / Fiscal Policy	Chapter 15

**Evaluation:** The course grade will be based on two midterm exams and a final examination which will be held during the Official Examination Schedule. The breakdown is as follows:

First Midterm Exam: 25% Friday, May 25, 2012, 4:30 – 6:00 p.m. rooms tba.

Second Midterm Exam: 25% Friday, June 22, 2012, 4:30 – 6:00 p.m. rooms tba

Final examination: 50% Date announced by the Registrar's Office

The final exam period for Spring Term 2012 is July 30 to August 10. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time.

(See

<http://www.registrar.uwaterloo.ca/exams/finalexams.html>)

**NOTE:**

- If you miss a midterm due to illness and have valid documentation (approval required), you may shift the weight of the test to the final exam. The midterms will not be rescheduled.

## The Rules:

### Procedural

- When sending email, "Econ 102" must appear in the subject line and the message must include your full name and ID number.
- The midterm exams will be written **outside** of class time.
- Midterm grades will be posted on Learn.
- Only the Registrar's Office can issue final grades.

### Behavioural

- No private conversations in class will be tolerated.
- As a courtesy to others, no eating please. If you have coffee, water, etc., please dispose of your garbage.
- **THIS IS A DEVICE-FREE ZONE.** Turn off all devices and put them away for the duration of the lecture.
- Photographic devices are not permitted in class. **This is a University regulation.**
- I do **NOT** lend my lecture notes to students.
- In order to maintain a learning environment in this classroom, I expect the highest level of courtesy and professional behaviour from every student.

## **Academic Integrity, Grievance, Discipline, Appeals, and Note for Students with Disabilities:**

**Academic Integrity:** in order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility.

**Grievance:** A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4, <http://www.adm.uwaterloo.ca/infosec/Policies/policy70.htm>

**Discipline:** A student is expected to know what constitutes academic integrity, to avoid committing academic offenses, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offense, or who needs help in learning how to avoid offenses (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to Policy 71 - Student Discipline, <http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm>

**Appeals:** A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an appeal can be established. Read Policy 72 - Student Appeals, <http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm>

**Note for students with disabilities:** The Office for Persons with Disabilities (OPD), located in NH1132, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the OPD at the beginning of each academic term.