

University of Waterloo
Department of Economics
Course Outline
ECON 202, Macroeconomic Theory I
Section 004, Spring 2012

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Lecture hours & Location: Monday & Wednesday, 4:00 pm – 5:20 pm, EV3 1408

Office Hours: Mondays & Wednesdays, 2:00 -3:00 pm,(Other times by appointment only)

Course Description:

This course provides a foundation of intermediate macroeconomic theory. The goal is to learn the theoretical framework needed to understand and analyze the worldwide major policy debates in the macroeconomics field. Detail discussion will take place on topics such as the determinants of the aggregate level of output, income, employment and prices; the causes of short-run economic fluctuations (business cycles), and long-run economic growth. In addressing short-run fluctuations, we will develop the IS-MP and AS-AD models. For discussion on the long-run, we will develop the Solow growth model as well as a simple model of endogenous growth.

Prerequisites: ECON 101, ECON102.

Required Textbook

Mishkin, F. (2012). Macroeconomics: Policy and Practice. Prentice Hall.

Evaluation: Two midterm examinations and a final examination.

(1) Midterm exam I (20%)

Date: June 4 (Monday)

Time: 4:00 to 5:20 pm

Location: TBA

Topics: TBA

(2) Midterm exam II (20%)

Date: July 9 (Monday)

Time: 4:00 to 5:20 pm

Location: TBA

Topics: TBA

Make-up midterm test is not allowed in this course. For students who cannot write a regularly scheduled test due to illness and have valid doctor's note (approved by the instructor), the weight of the test will be shifted to their final exam. Students must report to the instructor the reasons for not writing the midterm exam prior to the exam date or immediately after the exam.

(3) Final examination (60%)

The final exam will be comprehensive. The date for the final exam is determined by the Registrar's Office. The final exam period for Spring Term 2012 is August 2 to August 14. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time.

Lecture Topics:

PART ONE: INTRODUCTION

Chapter 1: The Policy and Practice of Macroeconomics

Chapter 2: Measuring Macroeconomic Data

PART TWO: MACROECONOMIC BASICS

Chapter 3: Aggregate Production and Productivity

Chapter 4: Saving and Investment in Closed and Open Economies

Chapter 5: Money and Inflation

PART THREE: LONG-RUN ECONOMIC GROWTH

Chapter 6: The Sources of Economic Growth and the Solow Model

Chapter 7: Drivers of Growth: Technology, Policy and Institutions

PART FOUR: BUSINESS CYCLES: THE SHORT-RUN

Chapter 8: Business Cycles

Chapter 9: The IS Curve

Chapter 10: Monetary Policy and Aggregate Demand

Chapter 11: Aggregate Supply and the Phillips Curve

Chapter 12: The Aggregate Demand and Supply model

Chapter 13: Macroeconomic Policy and Aggregate demand and Supply Analysis

PART SIX: MACROECONOMIC POLICY

Chapter 16: Fiscal Policy and the Government Budget

Chapter 17: Exchange Rates and International Economic Policy

Resources: Lecture slides and Problem sets will be posted on <http://learn.uwaterloo.ca> at 1125 Spring2012 ECON 202 Macroeconomic Theory I

Special Notes on Academic Integrity, Grievance and Discipline:

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, **(including writing examinations in a section that you are not registered in)**, 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>.

Academic Integrity website (Arts):

http://arts.uwaterloo.ca/arts/ugrad/academic_responsibility.html

Academic Integrity Office (UW): <http://uwaterloo.ca/academicintegrity>

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.

Department Grade Revision Policy A grade in any ECON course may not be changed if 12 or more months have elapsed since the grade was awarded.

Policy for Deferred Final Examinations (effective March 2012)

The economics department has a new procedure for deferred final examinations. Please read this message carefully.

You are very strongly encouraged to write your final examinations at the scheduled time and place. If you have compelling evidence that you are unable to write a final examination at the scheduled time then follow this procedure. Note that a legitimate but crowded final examination schedule is NOT a reason to defer a final examination.

1. Print and complete the Deferred Final Examination request form on the economics department's web site dated March 2012 (<http://economics.uwaterloo.ca/documents/DeferredExamForm-13mar12.pdf>).

2. Submit the completed form and all necessary documentation to the economics department Undergraduate Program Assistant in HH-214 within three (3) business days of the scheduled examination you missed; electronic submissions will not be accepted. And, do NOT submit your request to your instructor. As a courtesy to your instructor you may email her/him to tell her/him that you are submitting a request for a deferred final examination.

3. If you miss more than one final examination in your economics courses, repeat this procedure for each economics final examination you did not write.

4. Read the Registrar's policy on accommodation due to illness at:

http://www.registrar.uwaterloo.ca/students/accom_illness.html

Note that this policy refers to a different form and gives you only 48 hours (not 3 business days) to submit your request. For an economics course use the [Deferred Final Examination request form](#) on the economics department's web site.

5. If your request is successful you will be informed at your UW email address of the day/time/place of the deferred final examination. If your request is unsuccessful you will be informed at your UW email address of the reason the request was rejected. Note that writing a deferred final examination is a privilege not a right.

6. The economics department will assume that you have received the message in item 5. If you have not received an answer to your request by the end of the first day of the next term, email econdefexam@uwaterloo.ca immediately. If you are given the opportunity to write a deferred final examination, you alone are responsible for writing this examination on the scheduled day and at the scheduled time and place.