

University of Waterloo
Department of Economics
ECON 102-002, Spring 2017
Introduction to Macroeconomics
Tuesdays & Thursdays, 10:00am – 11:20am, DC1351

Instructor

Instructor: Fiona T. Rahman

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Lecture hours & Location: Tuesdays & Thursdays, 10:00am – 11:20am, DC1351

Office Hours: Tuesdays, 12:15pm -1:45pm, (Other times by appointment only)

Email: ftrahman@uwaterloo.ca

- Please use only the university e-mail address
- When sending email, “Econ 102-002” must appear in the subject line and the message must include your full name and student ID number.
- Please use emails for administrative matters only. I will be available during office hours, or by appointment, to discuss course material.

T.A.: there is no T.A. for this class

Where to find this course outline:

This course outline is available at two locations for the duration of the term:

- Department of Economics website <http://economics.uwaterloo.ca/courses>
- LEARN web site (requires UW userid and password) <http://learn.uwaterloo.ca>

Course Description

Macroeconomics is the study of overall or aggregate performance of an economy including growth in incomes, changes in the overall level of prices and the unemployment rate. This course will introduce students to the basic concepts and theories in macroeconomics. The focus of this course is to understand the key macroeconomic variables such as gross domestic product (GDP), inflation, unemployment rate, nominal and real interest rate, savings, investment, and exchange rate and how these variables are influenced by both monetary and fiscal policies of the government. The macroeconomic theories will be used to understand the workings of different economies of the world with special emphasis on Canadian economy.

Course Goals and Learning Outcomes

At the end of the course, students should be able to

- describe the basic macroeconomic variables,
- understand how the economy works,
- understand how government and the Central Bank influence economic variables and outcomes,
- distinguish the long run from the short run,
- provide an understanding of current macroeconomic events.

After completion of this course, the students will learn how macroeconomic models are built to explain the economy, the relationships among major macroeconomic variables in simple models; be able to make distinction between short run and long run; and finally evaluate the nature and impacts of economic problems and policies.

Required Text

- Parkin, M. and R. Bade, *Macroeconomics Canada In the Global Environment*, 9th Canadian Edition. Toronto: Pearson, 2016..
- If you are using older edition it is your responsibility to check for the latest material covered in class.
- Supplements: Study Guide (Recommended), MyEconLab(Optional).

Notes from the UW BookStore:

The UW Book Store has the following editions of the same textbook package (buy only one):

- Option 1: *Macroeconomics (Paperback) Textbook, MyEconLab & Flextext* (\$154.95 + GST)
- Option 2: *Macroeconomics (Loose leaf) Binder Ready Textbook, MyEconLab & Flextext* (\$99.95 + GST).

Readings Available on LEARN

- Lecture overhead slides and/or additional course materials will be posted on the LEARN web site <http://learn.uwaterloo.ca> (1175 ECON102 Spring 2017)
- The LEARN site is down occasionally. Save the course materials to your computer as soon as they are posted. Always be prepared!
- Students writing test and exams are responsible to save course materials on LEARN before the access to their courses is shut off (normally on the first day of classes of the next term).

Course Requirements and Assessment

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:

Assessment	Coverage	Date of Evaluation	Time	Location	Weighting
Midterm 1	Chapters 1,2,20,21& 23	June 1	In class exam	TBA	20%
Midterm 2	Chapters 24,25 & 26	June 29	In class exam	TBA	20%
Final Exam	Comprehensive	TBA (between July28 - Aug. 11)			60%

Notes

- The format for both midterms and the final exam will be multiple-choice questions.
- The midterm test will be written outside of class time.
- Midterm marks will be posted on LEARN.
- It is the responsibility of students to ensure that they write exams in the location, date, and time assigned to their section. Students writing exams in the wrong section will be assessed a 20% penalty on the final exam grade. There will be no accommodation for possible differences in exam material or content.
- The final exam period for the Spring Term 2017 is July 28 to August 11 inclusive. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time. See <http://uwaterloo.ca/registrar/finalexaminations/examination-regulations-and-related-matters> for details.
- The exact date and time for the final exam for this class will be determined by the Registrar's Office. The exam schedule is posted online, will be announced in class, and posted on LEARN.
- Only the Registrar's Office can issue final grades.

Course Outline

Part 1 Introduction

Chapter 1: What Is Economics? Students are responsible for reading the material in Chapter 1 on their own. Some summary material will be posted on Learn.

OMIT Appendix pgs. 13 – 23

Chapter 2: The Economic Problem

OMIT "Using Resources Efficiently" pgs. 33 – 35

OMIT "Gains From Trade" pgs. 38 - 40

Part 2 Monitoring Macroeconomic Performance

Chapter 20: Measuring GDP and Economic Growth,
OMIT Appendix pgs. 482 – 483

Chapter 21: Monitoring Jobs and Inflation

Part 3 Macroeconomic Trends

Chapter 23: Finance, Saving, and Investment ,
OMIT “The Ricardo-Barro Effect” pg. 556

Chapter 24: Money, the Price Level, and Inflation

Chapter 25: The Exchange Rate and the Balance of Payments

Part 4 Macroeconomic Fluctuations

Chapter 26: Aggregate Supply and Aggregate Demand

Chapter 27: Expenditure Multipliers: The Keynesian Model

Chapter 28: Canadian Inflation, Unemployment, and Business Cycle

Part 5 Macroeconomic Policy

Chapter 29: Fiscal Policy

Chapter 30: Monetary Policy

Tentative Class Schedule

The following schedule is meant as a rough guideline. Short-term goals will be announced regularly.

Week	Chapters
1 (May 2 & May 4)	Chapter 2:The Economic Problem Chapter 20:Measuring GDP and Economic Growth
2(May 9 & May 11)	Chapter 20: Measuring GDP and Economic Growth Chapter 21:Monitoring Jobs and Inflation
3(May 16 & May 18)	Chapter 23:Finance, Saving & Investment
4 (May 23 & May 25)	Chapter 24: Money, the Price Level, and Inflation
5 (May 30)	Review for Midterm & Chapter 24: Money, the Price Level, and Inflation
Midterm I on June 1	Midterm I covers Chapters 1, 2, 20, 21, 23
6 (June 6 & June 8)	Chapter 25:The Exchange Rate and the Balance of Payments

7(June 13 & June 15)	Chapter 25:The Exchange Rate and the Balance of Payments Chapter 26:Aggregate Supply and Aggregate Demand
8 (June 20 & June 22)	Chapter 26:Aggregate Supply and Aggregate Demand Chapter 27: Expenditure Multipliers: The Keynesian Model
9 (June 27) Midterm II on June 29	Chapter 27: Expenditure Multipliers: The Keynesian Model Midterm II covers chapters 24,25 & 26
10 (July 4 & July 6)	Chapter 28: Canadian Inflation, Unemployment, and the Business Cycle Chapter 29: Fiscal Policy
11 (July 11 & July 13)	Chapter 29: Fiscal Policy
12 (July 18 & July 20)	Chapter 30: Monetary Policy
13(July 25)	Chapter 30: Monetary Policy & Review for Final Exam (Last Lecture)

Additional Information

1. Missing the Final Exam Due to Illness

- Missing the final exam is a very serious matter which automatically results in a zero mark for the exam itself and possibly a failing mark for the course. Read the department policy on deferred final exams <http://economics.uwaterloo.ca/DeferredExams.html>
- No deferred final exam will be provided for students who missed all the exams (including the final exam) in this course.

2. Missing a Midterm Due to Illness During the Term

- If a student misses a midterm due to illness and has valid documentation (approval required), the weight of the missed midterm will be shifted to the final exam. Without valid documentation the student will receive zero for the missed midterm.
- Midterms will not be rescheduled under any circumstances.
- Must notify me in person about missed exams as soon as possible.

3. Submissions of Exam Papers

- Late submission of exam papers is not accepted and missed submission will receive zero marks for whatever reason.

- Exam papers must be submitted in whole and on time in the exam room. Exam papers (a) not submitted on time or (b) submitted with missing pages or (c) submitted elsewhere or (e) not received at all will receive zero marks for whatever reason.

4. Fee-Arranged Issues

Students are responsible for administrative matters concerning their course registration including fee arrangements. No make-up work or remedies will be given for losses of access to LEARN and academic consequences arising from administrative issues with the Registrar's Office. 5. Economic Clinic The walk-in Economic Clinic offers free tutorial services to ECON 102 students (all sections). Check with LEARN, classes, and the department for availability.

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6. Classroom Protocols

- No private conversations in class will be tolerated.
- Turn off all handheld devices and put them away for the duration of the lecture. Laptop computers may only be used to view lecture material.
- Photographic devices are not permitted in class. This is a University regulation.
- In order to maintain a learning environment in this classroom, I expect the highest level of courtesy and professional behaviour from every student.

Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009:

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

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (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 (<https://uwaterloo.ca/secretariat-generalcounsel/policies-procedures-guidelines/policy-71>)

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 (<https://uwaterloo.ca/secretariat-general-counsel/policies-proceduresguidelines/policy-70>), Section 4.

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 (<https://uwaterloo.ca/secretariat-general-counsel/policies-proceduresguidelines/policy-72>).

Other sources of information for students:

- **Academic Integrity website (Arts):** <https://uwaterloo.ca/arts/currentundergraduates/student-support/ethical-behaviour>
- **Academic Integrity Office (UWaterloo):** <https://uwaterloo.ca/academic-integrity/>
- **Note for students with disabilities:** The AccessAbility Services office (<https://uwaterloo.ca/disabilityservices>), located on the first floor of the Needles Hall extension, 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 AS office at the beginning of each academic term.