

University of Waterloo
Department of Economics
ECON 102-003
Introduction to Macroeconomics
Spring 2016
MW 4:00 – 5:20pm, DC 1350

Instructor Information

Instructor: Wokia Kumase

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Office Hours: Mon/Tue 11:00am – 1:00pm or by appointment

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NOTE:

- When sending email, “Econ 102” 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.

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 introduce 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 course will cover both short run fluctuations in the economy (business cycles) and long run trends (economic growth). 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

Upon completion of this course, students should be able to:

- Describe the basic macroeconomic variables,
- Understand how the economy works,
- Understand how governments and the Central Bank influence economic variables and outcomes,
- Distinguish the long run from the short run,
- Provide an understanding of current macroeconomic events.

Required Text

Parkin, M. and R. Bade, *Macroeconomics Canada In the Global Environment*, 9th Canadian Edition. Toronto: Pearson, 2016.

Optional:

- Accompanying Study Guide
- MyEconLab

Additional Resources Available on Learn

The lecture overhead slides are posted on LEARN (<http://learn.uwaterloo.ca>)

Notes from the UW BookStore:

The textbook is packaged with a free access code to MyEconLab, as well as a copy of the printed study guide for an additional nominal cost of \$10.00. Depending on your section and instructor, the study guide may or may not be required. If you would like to purchase a textbook without the study guide, please contact the UW BookStore to place a special order for the package without the study guide.

Students who will be taking both Econ 101 and 102 (this term or a subsequent term) might want to get the combined *Economics: Canada in the Global Environment* which has both *Microeconomics* (Econ 101) and *Macroeconomics* (Econ 102) (see the UW BookStore for details).

Readings Available on LEARN

- Lecture overhead slides and/or additional course materials will be posted on the LEARN web site (<http://learn.uwaterloo.ca>) at: ECON 102 Spring 2016
- 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 Outline

Part 1 Introduction

Chapter 1: What Is Economics?

OMIT Appendix pgs. 13 – 23

OMIT Mathematical Note pgs. 24 - 25

Chapter 2: The Economic Problem

Part 2 Monitoring Macroeconomic Performance

Chapter 20: Measuring GDP and Economic Growth

OMIT Appendix pgs. 482 – 483

OMIT Mathematical Note pgs. 484 - 485

Chapter 21: Monitoring Jobs and Inflation

Part 3 Macroeconomic Trends

Chapter 23: Finance, Saving, and Investment

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

OMIT Mathematical Note pgs. 668 – 671

Chapter 28: Canadian Inflation, Unemployment, and Business Cycle

OMIT “The Business Cycle” pgs. 687 – 691

Part 5 Macroeconomic Policy

Chapter 29: Fiscal Policy

Chapter 30: Monetary Policy

OMIT “Extraordinary Monetary Stimulus” pgs. 741 – 743

Tentative Class Schedule

Date: Week 1

Topic: What is Economics and The Economic Problem
Chapter: 1, 2

Date: Week 2

Topic: Measuring GDP and Economic Growth
Monitoring Jobs and Inflation
Chapter: 20, 21

Date: Week 3

Topic: Finance, Saving, and Investment
Chapter: 23

Date: Week 4

Topic: Money, the Price Level, and Inflation
Chapter: 24

Date: Week 5

Topic: Money, the Price Level, and Inflation
The Exchange Rate and the Balance of Payments
Chapter: 24, 25

Date: Week 6

Topic: The Exchange Rate and the Balance of Payments
Aggregate Supply and Aggregate Demand
Chapter: 25, 26

Date: Week 7

Topic: Aggregate Supply and Aggregate Demand
Chapter: 26

Date: Week 8

Topic: Expenditure Multipliers: The Keynesian Model
Chapter: 27

Date: Week 9

Topic: Canadian Inflation, Unemployment, and the Business Cycle
Chapter: 28

Date: Week 10

Topic: Fiscal Policy
Chapter: 29

Date: Week 11

Topic: Fiscal Policy and Monetary Policy
Chapter: 29, 30

Date: Week 12

Topic: Monetary Policy
Chapter: 30

Course Requirements and Assessment

Examinations in this course are based on the material contained in the assigned textbook readings and presented as lecture contents (which are strong complements, not substitutes). 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:

Midterm 1	Friday June 03, 4:30-6:00 pm	25%
Midterm 2	Friday July 08, 4:30-6:00 pm	25%
Final exam (comprehensive)	TBA	50%

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.
- The final exam period for the Spring Term 2016 is July 28 – 13 August. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time. <http://uwaterloo.ca/registrar/final-examinations/examination-regulations-and-related-matters>
- 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.
- Students are encouraged to discuss their questions or problems about the course and course materials with me in person during office hours. Group consultations are welcomed.
- I do not respond to emails asking questions on material taught in class. I am more than happy to spend time explaining and clarifying concepts during office hours or by appointment.
- Use email for administrative concerns only. I will be available during office hours to discuss course material, or by appointment in case students cannot attend them.

Examination Policy

Missing a Midterm Due to Illness During the Term

- Missing a midterm will automatically result in a grade of zero for that midterm. If the illness can be documented with a UW Verification of Illness Form (the only acceptable document), with approval you may transfer the weight of the missed midterm to the final exam. This remedy is a privilege and not a right.
- The VIF must be submitted as soon as you can in person. Scanned copies sent by mail will not be accepted.
- The midterm exam schedule has been set and will not be changed for whatever reason.
- You must write at least one midterm to pass the course.

Missing the Final Exam Due to Illness

- Missing the final exam is a very serious matter which automatically results in a grade of zero for the final exam and possibly a failing grade for the course. Please carefully read the Economics Department policy on deferred final exams for instructions.

- No deferred final exam will be provided for students who missed all the exams (including the final exam) in this course.
Submission of Exam Papers
- Late submission of exam papers is not accepted and missed submissions will receive a zero mark for whatever reason.
- Exam papers must be submitted in whole and on time in the exam room. Exam papers
 - (a) not submitted on time,
 - (b) submitted with missing pages,
 - (c) submitted elsewhere, with the exception of students with permission to write in the AS Office,
 - (d) not received at all
 will receive a grade of zero for whatever reason.
- It is the responsibility of students to ensure that they write exams in the location, date, and time assigned to their sections. Students writing exams in the wrong section are considered not writing exams at all and will receive a zero mark.

Fee-Arranged Issues

- Students are responsible for administrative matters concerning their course registration including fee arrangements with the Registrar's Office. No make-up work or other remedies will be given for loss of access to LEARN and academic consequences arising from administrative issues with the Registrar's Office.

Electronic Device Policy

- Turn off all cell phone communication devices and put them away for the duration of the lecture.
- 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.

Attendance Policy

- Class attendance is an integral part of your educational experience. While attendance is not a graded component of this course, it is an important component in ensuring your complete understanding of the material presented. You are responsible for all material presented in the scheduled lecture periods whether you choose to attend lectures or not.

Classroom Protocols

- I do NOT lend my lecture notes to students for any reason.
- In order to maintain a learning environment in this classroom, I expect the highest level of courtesy and professional behaviour from every student. In particular, be punctual and turn off all audible ringers on all devices during class.
- As a courtesy to others, no eating in class please. If you have coffee, water, etc., please dispose of your garbage when you leave the classroom.
- No private conversations in class will be tolerated.

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 community are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity Webpage \(https://uwaterloo.ca/academic-integrity/\)](https://uwaterloo.ca/academic-integrity/) and the [Arts Academic Integrity Office Webpage \(http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility\)](http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility) for more information.

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 \(https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70\)](https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70). When in doubt please be certain to contact the department's administrative assistant who will provide further assistance.

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. For information on categories of offenses and types of penalties, students should refer to [Policy 71, Student Discipline \(http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm\)](http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm). For typical penalties check [Guidelines for the Assessment of Penalties \(http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm\)](http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm).

Appeals

A decision made or penalty imposed under Policy 70, Student Petitions and Grievances (other than a petition) or Policy 71, Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72, Student Appeals \(http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm\)](http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm).

Note for Students with Disabilities

The AccessAbility Services Office (ASO), located in Needles Hall, Room 1401, 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 ASO at the beginning of each academic term.