

University of Waterloo
Department of Economics
ECON 202, Macroeconomic Theory I,
Section 001, Winter 2016

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Lecture hours & Location: Monday & Wednesday, 5:00 pm –6:20 pm, EV3 1403

Office Hours: Wednesday & Thursday, 6:30pm – 7:30pm, (Other times by appointment only)

E-mail: ftrahman@uwaterloo.ca

- This is the only email address I will be using to communicate with students; emails sent via LEARN will not be checked.
- When sending email, "ECON202-001" must appear in the subject line.
- Please use email for administrative concerns only. I will be available during office hours, or by appointment, to discuss course material

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: ECON101, ECON102.

Required Textbook:

- Mishkin, F. (2015). *Macroeconomics: Policy and Practice*. 2nd Edition. Prentice Hall.

Course Assessment

	Weight
Midterm exam 1 (February 10, Wednesday, class time)	20%
Midterm exam 2 (March 16, Wednesday, class time)	20%
Final exam (Scheduled by the Registrar's office)	60%
Total	100%

Important Notices

- To maintain a classroom environment that is conducive to learning, I expect the highest level of courtesy and professional behavior from every student. In particular, be punctual and turn off all audible ringers on phones and other electronic devices during class.
- There is no deferred or make-up midterm tests. If you miss the test due to illness and have a valid medical documentation, then the weight of the test will be shifted to the final exam. Otherwise, a mark of zero will be given to the missed test.
- The final exam will be comprehensive. The date for the final exam is determined by the Registrar's Office. The final exam period for Winter Term 2016 is April 8 to April 23. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time.
- 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.

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 (Time Permitting)

Tentative Class Schedule

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

Week	Chapters
1 (Jan 4- 10)	Chapter 1: The Policy and Practice of Macroeconomics Chapter 2: Measuring Macroeconomic Data
2 (Jan 11 -17)	Chapter 2: Measuring Macroeconomic Data Chapter 3: Aggregate Production and Productivity
3(Jan 18 -24)	Chapter 3: Aggregate Production and Productivity Chapter 4: Saving and Investment in Closed and Open Economies
4 (Jan 25 -31)	Chapter 4: Saving and Investment in Closed and Open Economies Chapter 5: Money and Inflation
5 (Feb 1-7)	Chapter 6: The Sources of Economic Growth and the Solow Model
6 (Feb 8-14)	Review for midterm 1 MIDTERM 1 (Feb 10, Wednesday)
7 (Feb 15-21)	READING WEEK
8(Feb 22-28)	Chapter 7: Drivers of Growth: Technology, Policy and Institutions
9 (Feb 29-6)	Chapter 8: Business Cycles Chapter 9: The IS Curve
10 (Mar 7 -13)	Chapter 10: Monetary Policy and Aggregate Demand Chapter 11: Aggregate Supply and the Phillips Curve
11 (Mar 14 -20)	Review for Midterm 2 MIDTERM 2 (Mar 16, Wednesday)
12 (Mar 21 – 27)	Chapter 12: The Aggregate Demand and Supply model Chapter 13: Macroeconomic Policy and Aggregate demand and Supply Analysis
13 (Mar28 – Apr 3)	Chapter 16: Fiscal Policy and the Government Budget Chapter 17: Exchange Rates and International Economic Policy (Time Permitting)

Resources: Lecture slides and Problem sets will be posted on -<http://learn.uwaterloo.ca> at '1161 Winter 2016, ECON 202 Macroeconomic Theory I'. Please check this course website regularly for supplementary materials and important announcements as well.

Economics Clinic:

The department of Economics provides tutorial service through the **Economics Clinic**. Students enrolled in ECON202 can access the service throughout the term. The time and place of the clinic will be posted on LEARN in the first week of the term.

Useful Websites:

You are encouraged to read about current events and issues in international macroeconomics in the following publications and website:

- Statistics Canada
www.statcan.gc.ca
- Bank of Canada
<http://www.bankofcanada.ca>
- *The Economist*
<http://www.economist.com>
- *Report on Business (The Globe and Mail)*
<http://www.theglobeandmail.com/report-on-business>
- *Financial Post (The National Post)*
<http://www.financialpost.com>
- *International Monetary Fund (IMF)*
<http://www.imf.org>

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 <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>.
- No deferred final exam will be provided for students who missed all the exams (including the final exam) in this course.

2. 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.

3. 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.

4. Economic Clinic

The walk-in Economic Clinic offers free tutorial services to ECON 202 students. Check with LEARN, classes, and the department for availability.

5. Classroom Protocols

- 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. Off-task use (e.g., Facebook, texting, other) will result in your device being confiscated for the class and/or being asked to leave the classroom for all or part of the class or course.
- Photographic devices are not permitted in class due to copyright and privacy issues.
- In order to maintain a learning environment in this classroom, the highest level of courtesy and professional behaviour is expected from every student.

University Statements

1. Cross-listed course

- Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

2. Academic Integrity

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-general-counsel/policies-procedures-guidelines/policy-71) (<https://uwaterloo.ca/secretariat-general-counsel/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-procedures-guidelines/policy-70) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/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-procedures-guidelines/policy-72) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72>).

Other sources of information for students:

[Academic Integrity website \(Arts\)](https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour)

<https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour>

[Academic Integrity Office \(UWaterloo\)](https://uwaterloo.ca/academic-integrity/)

<https://uwaterloo.ca/academic-integrity/>

Accommodation for Students with Disabilities

Note for students with disabilities: The [AccessAbility Services](https://uwaterloo.ca/disability-services) office (<https://uwaterloo.ca/disability-services>), located on the first floor of the Needles Hall extension (NH 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 AS office at the beginning of each academic term.