

UNIVERSITY OF WATERLOO
Department of Economics

Term and Year of Offering: Fall 2011

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

Lecture Times, Building, Room Number: T, Th 2:30 – 3:50 P.M. DC 1351

Instructor Name, Office Location, Office Hours, Contact: M. Vaughan, HH 102, Monday and Tuesday 4:00 - 5:30 P.M., 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, 5th Canadian Edition. Toronto: Nelson, 2011.

Optional Materials:

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

Resources: The lecture overhead slides and course outline (syllabus) are posted on UW-ACE at:

1119 ECON 102 Intro to Macroeconomics

NOTE: Overhead slides AND the course outline for your section are found on the Lessons tab.

The UW-ACE 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.

| Date | Topic | Textbook Chapter | |
|--|--------------|-----------------------------|------------|
| Wk 1 | Sept 13 | Ten Principles of Economics | Chapter 1 |
| | Sept 15 | Thinking Like An Economist | Chapter 2 |
| Wk 2 | Sept 20 | The Real Economy | Chapter 5 |
| | Sept 22 | The Cost of Living | Chapter 6 |
| Wk 3 | Sept 27 | Production and Growth | Chapter 7 |
| | Sept 29 | Production and Growth | Chapter 7 |
| Wk 4 | Oct 4 | LR Closed Economy Model | Chapter 8 |
| | Oct 6 | Long Run Unemployment | Chapter 9 |
| MIDTERM EXAM Friday, October 7, 2011, 4:30 – 6:00 p.m. (Covers Chapters 1, 2, 5, 6) | | | |
| Wk 5 | Oct 11 | Long Run Unemployment | Chapter 9 |
| | Oct 13 | The Monetary System | Chapter 10 |
| Wk 6 | Oct 18 | The Monetary System | Chapter 10 |
| | Oct 20 | Money Growth and Inflation | Chapter 11 |
| Wk 7 | Oct 25 | Money Growth and Inflation | Chapter 11 |
| | Oct 27 | Money Growth and Inflation | Chapter 11 |
| Wk 8 | Nov 1 | Open-Economy Macroeconomics | Chapter 12 |
| | Nov 3 | AD / AS | Chapter 14 |

**MIDTERM EXAM Friday, November 4, 2011, 4:30 –
6:00 p.m. (Covers Chapters 7, 8, 9, 10)**

| | | | |
|-------|--------|--------------------------|------------|
| Wk 9 | Nov 8 | AD / AS | Chapter 14 |
| | Nov 10 | AD / AS | Chapter 14 |
| Wk 10 | Nov 15 | AD / AS | Chapter 14 |
| | Nov 17 | Monetary / Fiscal Policy | Chapter 15 |
| Wk 11 | Nov 22 | Monetary / Fiscal Policy | Chapter 15 |
| | Nov 24 | Monetary / Fiscal Policy | Chapter 15 |
| Wk 12 | Nov 29 | Monetary / Fiscal Policy | Chapter 15 |
| | Dec 1 | 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, October 7, 2011, 4:30 – 6:00 p.m. rooms tba.

Second Midterm Exam: 25% Friday, November 4, 2011, 4:30 – 6:00 p.m. rooms tba

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

The final exam period for Fall Term 2011 is December 8 to December 22. 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 UW-ACE.
- 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.