

University of Waterloo
Department of Economics
ECON 302: Macroeconomic Theory II

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Office Hours: Tue 2:30-5pm & Wed 1-4:30pm
Or by appointment

Term/ Year: Winter 2012

Welcome to Macroeconomics. This course is designed to help students develop an understanding of the microeconomic foundations of macroeconomics. Topics included for discussion are consumption theories, the role of money, inflation dynamics, fiscal policy and the government budget, public debt, and theories of economic growth.

The prerequisites for this course are (i) ECON 202, (ii) ECON 211, and (iii) willingness to work. Students are strongly encouraged to attend *all* class lectures, participate in discussion, and do the assignments.

Textbooks

- R. Barro (1997). *Macroeconomics*, 5th edition, MIT Press.
- Doepke, M. Lehnert, A., and A. Sellgren (1999). *Macroeconomics*, online lecture notes. Available for download at <http://faculty.wcas.northwestern.edu/~mdo738/book.htm>
- Jones, C. (2001). *Introduction to Economic Growth*, 2nd edition, W. W. Norton & Company.
- Weil, D. (2005). *Economic Growth*, Pearson-Addison Wesley.
- Williamson, S. (2010). *Macroeconomics*, 3rd Canadian edition, Pearson Canada.

Evaluation

	Weight
Class participation	5%
Midterm test (February 9, Thursday class time)	25%
Final exam (Scheduled by the Registrar's office)	<u>70%</u>
	100%

Important Notice

- There is no deferred or make-up midterm test. 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.
- Journal (and/or magazine) articles will be assigned in class. Students should read the articles and be prepared to lead and actively participate in the discussion.
- 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, pagers, and laptops during class.

Topics:

1. Introduction: Stylish facts about Canadian business fluctuations
2. Microeconomic Foundations of Macroeconomics
 - 2.1 Foundations of household choice
 - 2.2 Intertemporal choice
 - 2.3. Demand for money
 - 2.4 General equilibrium
 - 2.5 Labour market
3. Money, Inflation and Interest Rate
 - 3.1 Inflation and interest rates
 - 3.2 Neutrality of money
 - 3.3 Dynamics of inflation
4. Real Business Cycles
5. Government
 - 5.1 Government consumption
 - 5.2 Taxes and transfers
 - 5.3 Public debt
6. Economic Growth

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>.

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.