

**University of Waterloo**  
**Department of Economics**  
**Course Outline**  
**ECON 202, Macroeconomic Theory I**  
**Section 003, Winter 2012**

**Instructor:** Fiona T. Rahman

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**Lecture hours & Location:** Monday & Wednesday, 11:30 am – 12:50 pm, EV3 1408

**Office Hours:** Tuesday & Thursday, 12:00noon – 1:30 pm

(Other times by appointment only)

**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:** Econ 101, 102.

**Required Textbook**

Mishkin, F. (2012). Macroeconomics: Policy and Practice. Prentice Hall.

**Evaluation:** One midterm examination and a final examination.

**(1) Midterm examination (30%)**

Date: March 5, 2012

Time: 11:30 am -12:50 pm

Location: TBA

Topics: All the materials covered by February 29

**Make-up midterm test is not allowed in this course.** For students who cannot write a regularly scheduled test due to illness and have valid doctor's note (approved by the instructor), the weight of the test will be shifted to their final exam. Students must report to the instructor the reasons for not writing the midterm exam prior to the exam date or immediately after the exam.

**(2) Final examination (70%)**

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 2012 is April 9 to April 21. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time

**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

**Resources:** Lecture slides and Problem sets will be posted on <http://learn.uwaterloo.ca>

at 1121 Winter 2012 ECON 202 Macroeconomic Theory I

**Special Notes on Academic Integrity, Grievance and Discipline:**

**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, **(including writing examinations in a section that you are not registered in )**, 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](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.

**Department Grade Revision Policy** A grade in any ECON course may not be changed if 12 or more months have elapsed since the grade was awarded.

**Deferred Final Economics Exam** Normally, a student who has been ill (documentation required) and missed the scheduled final exam **MUST** petition the Department of Economics Undergraduate Office within 48 hours to write the Departmental Deferred Examination. If the student has failed to write the Departmental Deferred Examination, the student will automatically receive a grade of 0% for the missed deferred final examination. Please download and fill out the **Special Deferred Exam Request Form** and attach the supporting documentation before submitting to the Instructor for **departmental** approval. Due to illness on the day of the exam (and not that you are unprepared), you are given the deferred privilege. Please be ready to write the deferred exam on short notice.

[Final Deferred Exam Request Form](#)