

**University of Waterloo**  
**Department of Economics**  
**ECON 102-003**  
**Introduction to Macroeconomics**  
**Winter 2017**  
**Tuesday and Thursday, 11:30AM - 12:50PM, STP 105**

**Instructor**

Instructor: Maria Viola

Office: HH162

Office Hours: Wednesday, 9.30am-10.30am

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When sending e-mails, "Econ 102-03" must appear in the subject line and the message must include your full name and ID number. E-mail is for administrative concerns only. I will be available during office hours, or by appointment, to discuss course material. Group consultations are welcomed.

**Course Description**

The course is an introduction to the study of macroeconomic principles, and their application to domestic and international macroeconomic policy. With a special emphasis on the Canadian economy, its goal is to introduce students to the economic theory so that they can analyze and synthesize specific economic issues such as economic growth, unemployment, and inflation. The course provides a consistent framework to understand the behavior of the main macroeconomic variables, such as, for instance, interest rates, exchange rates, consumption, investment, balance of payments, and budget deficits. It will also help students to understand how monetary and fiscal policies can be used to influence short-run macroeconomic conditions.

**Course Goals and Learning Outcomes**

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

- develop an "economic way of thinking";
- understand how to measure economic activity, unemployment and inflation;
- learn how to use economic models, theories and principles;
- understand fiscal and monetary policies.

## Required Text

Parkin, Michael and Robin Bade (2015). *Macroeconomics: Canada in the Global Environment*, 9th edition. Pearson Education Canada. Available from the UW BookStore.

### Notes From the Book Store

The UW Book Store has the following editions of the same textbook package (buy only one):

- Option 1: *Macroeconomics (Paperback) Textbook, Study Guide and MyEconLab* (\$149.95 + GST)
- Option 2: *Macroeconomics (Loose leaf) Binder Ready Textbook, Study Guide and MyEconLab* (\$97.95 + GST).

Students who will be taking both ECON 101 and 102 (this term or in a subsequent term) may want to get the combined *Economics: Canada in the Global Environment* which has both *Microeconomics (ECON 101)* and *Macroeconomics (ECON 102)*. In that case, the UW Book Store also has the following editions of the same text package (buy only one):

### ECON 101 and 102

- Option 3: *Economics (Hardcover) Textbook, Study Guide and MyEconLab* (\$198.95 + GST),
- Option 4: *Economics (Loose leaf) Binder Ready Textbook, Study Guide and MyEconLab* (\$149.95 + GST).

In any case, buy only one of the four options above. The textbook is packaged with a free access code to MyEconLab (including e-textbook), and a free printed study guide. If you would like to purchase MyEconLab separately (with or without the e-textbook), please contact the UW Book Store.

## Readings Available on LEARN

“Regional Economic Outlook, Western Hemisphere, Chapter 1: The United States, Canada, and the World: Outlook and Policy Challenges” *World Economic and Financial Surveys*, pg 6-11. International Monetary Fund, Washington, D.C.

Note: Lecture slides presented in class will be posted on LEARN before class. Exercises and multiple choice questions AK will NOT be posted on LEARN. <http://learn.uwaterloo.ca>

## Course Requirements and Assessment

The course grade will be based on three midterm exams and a final examination which will be held during the Official Examination Schedule. For the exams, you will be held responsible for material covered in: (i) the relevant chapters of PB’s textbook, (ii) the lecture notes (iii) in-class exercises.

Assessment	Date of Evaluation	Weighting
Midterm 1	Jan 26, 2017	25%
Midterm 2	March 2, 2017	25%
Final Exam	TBA	50%
Total		100%

## **Assessment**

The format of midterms and the final exam will be multiple choice questions. Midterms' marks will be posted on LEARN. Focus of midterms:

Midterm 1: Chapters 1, 3, 20, 21, 22

Midterm 2: Chapters: 23, 24, 25

Final Exam: Chapters 1, 3, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30

## **Examination Policy**

The final exam period for the Winter Term 2016 is April. Students are expected to be available during this time. Travel plans are not acceptable grounds for granting an alternative final examination time. 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.

<http://uwaterloo.ca/registrar/final-examinations/examination-regulations-and-related-matters>.

### *Missing a Midterm Due to Illness During the Term*

The midterm exam schedule has been set and will not be changed for whatever reason. 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.

### *Missing the Final Exam Due to Illness*

Missing the final exam will result in a grade of zero for the final exam. 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 in this course.

*Note: 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.*

## Course Outline

Students are expected to do the assigned reading before class.

Week	Date	Topic	Readings Due
1	Jan 3, 2017	Introduction and Overview. What is Economics?	PB, Chapter 1 What is Economics?, pg. 1-11 and PB Appendix: Graphs in Economics, pg. 13-26
		Demand and Supply	PB, Chapter 3: Demand and Supply, pg. 55-78
2	Jan 10, 2017	Measuring GDP and Economic Growth	PB, Chapter 20: Measuring GDP and Economic Growth, pg. 468-481 PB, Chapter 22: Economic Growth, pg 514-515 and pg. 520-528
3	Jan 17, 2017	Monitoring Jobs and Inflation	PB, Chapter 21: Monitoring Jobs and Inflation, pg. 491-508
4	Jan 24, 2017	Monitoring Jobs and Inflation	PB, Chapter 21: Monitoring Jobs and Inflation, pg. 491-508
	Jan 26, 2017	MIDTERM 1	
5	Jan 31, 2017	Finance, Saving and Investment	PB, Chapter 23: Finance, Saving and Investment, pg. 543-562
6	Feb 7, 2017	What is Money?	PB, Chapter 24: Money, the Price Level, and Inflation, pg. 567-585
7	Feb 14, 2017	The Exchange Rate and the Balance of Payments	PB, Chapter 25: The Exchange Rate and the Balance of Payments, pg. 593- 614
8	Feb 28, 2017	The Exchange Rate and the Balance of Payments	PB, Chapter 25: The Exchange Rate and the Balance of Payments, pg.

Week	Date	Topic	Readings Due
			593- 614
	March 2	MIDTERM 2	
9	March 7, 2016	Aggregate Supply and Aggregate Demand, and Inflation Cycles	PB, Chapter 26: Aggregate Supply and Aggregate Demand, pg. 623- 631 PB, Chapter 28: Canadian Inflation, Unemployment, and Business Cycle, pg. 678-683
10	March 14, 2017	Real GDP with a Fixed Price Level	PB, Chapter 27: Expenditure Multipliers: The Keynesian Model, pg. 648-655
11	March 21, 2017	The Multiplier	PB, Chapter 27: Expenditure Multipliers: The Keynesian Model, pg. 656-667
	March 23, 2017	Fiscal Policy	PB, Chapter 29: Fiscal Policy, pg. 704-722
12	March 28, 2017	Monetary Policy	PB, Chapter 30: Monetary Policy, pg. 728-743 – Omit: The Taylor Rule

### **Electronic Device Policy**

All audible ringers on all devices during class must be turned off. Photographic devices are not permitted in class.

### **Attendance Policy**

Students are responsible for all material presented in the scheduled lecture periods, regardless whether they choose to attend lectures or not. Punctuality is required from all students attending class.

## **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](#) and the [Arts Academic Integrity webpage](#) for more information.

### **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](#). For typical penalties check [Guidelines for the Assessment of Penalties \(https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/guidelines/guidelines-assessment-penalties\)](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/guidelines/guidelines-assessment-penalties).

### **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-general-counsel/policies-procedures-guidelines/policy-70>). When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

### **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 \(https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72\)](#).

### **Note for Students with Disabilities**

The [AccessAbility Services](#) office, 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.

### **If Using Turnitin in your Course**

**Turnitin.com:** Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week

of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course.

*Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See [guidelines for instructors](#) for more information.*

## **Faculty of Arts-required statements for undergraduate course outlines**

### **Cross-listed Course (if applicable)**

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.