

University of Waterloo
Department of Economics
ECON 102: Introduction to Macroeconomics

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Office Hours: Wednesday 10 am – 12:00 pm/ Thursday 9 – 10:30 am

Term/Year: Fall 2018

Class days/times: Section 003: Mon & Wed & Fri 4:30 - 5:20 pm

Section 004: Mon & Wed & Fri 2:30 - 3:20 pm

Building/room number: Section 003: AL 116
Section 004: RCH 101

General Course Objective

ECON 102 introduces the student to the basic concepts of macroeconomic analysis and the ways they are applied in real world situations. We will study the determinants of a number of macroeconomic variables including inflation, unemployment, financial institutions, exchange rate, and long-term growth. We will also study macroeconomic policy responses.

Upon completion of this course, students 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.
- Understand how the government and the central bank can influence outcomes in the economy.
- Understand current macroeconomic events.

To get the most out of the course, students are strongly encouraged to attend all lectures, and participate in class discussion. Knowledge of basic algebra is required for the course. A specific timetable indicating which topics will be discussed on a specific lecture date is provided but our progress will depend on class ability and interest in the lecture materials. For this reason, the contents of each week may change during the semester and the new version will be uploaded on LEARN when necessary.

Required Text

Parkin, Michael and Robin Bade (2018). *Macroeconomics: Canada in the Global Environment, 10th edition*. Pearson Education Canada.

(Older editions are acceptable, but it is the students' responsibility to cover any differences in the content.)

Optional Study Guide

- Cohen, Avi J. and Harvey B. King, *Macroeconomics, Flex Text*. Toronto: Pearson, 2017.

Class Notes

Lecture slides will be posted on LEARN. Students should check LEARN daily for announcements, course changes, and class materials. Note that the LEARN website may not be available from time to time. As such, students must download the class materials to their computer as soon as they are posted.

Notes on office hours or contacting instructor

If a student is not able to meet during office hours, I am open to arranging a mutually convenient appointment via email. When sending email, always use your University of Waterloo email account. "ECON 102" must appear in the subject line and the message must include **your full name and student ID number**.

Where to find this course outline: This course outline is available at two locations for the duration of the term:

- Department of Economics website
<https://uwaterloo.ca/economics/undergraduate/courses/outlines>
- LEARN web site (requires UW user id and password) <http://learn.uwaterloo.ca>

Please use email for administrative concerns and very brief questions related to the course material. I will be available during office hours, or by appointment, to discuss course material.

Course Requirements and Assessment

Online Quizzes will be posted on LEARN and you will have one weekend (specified below) to submit your quiz. Each quiz will be worth 2.5% of your final grade.

The midterms will be written in the class period on the dates specified below and each will be worth 20% of your final grade.

The final exam, which will be scheduled by the registrar during the examination period in July-August, will constitute 50% of your final grade and will be comprehensive (i.e., cover all course material from beginning to end).

<i>Assessment</i>	<i>Date</i>	<i>Weight</i>
Online Quiz 1	September 22 – 23 (LEARN)	2.5%
Midterm exam 1	October 3 – Wednesday (in class)	20%
Online Quiz 2	October 20 – 21 (LEARN)	2.5%
Online Quiz 3	November 3 – 4 (LEARN)	2.5%
Midterm exam 2	November 9 – Friday (in class)	20%
Online Quiz 4	December 1 – 2 (LEARN)	2.5%
Final exam	Determined by Registrar’s Office	50%
Total		100%

Course Outline

This class schedule is ambitious. Modifications and/or eliminations of certain content might be required given our limited time together. Any necessary modifications or eliminations to the course content will be communicated to you in the regular class period.

Weeks	Chapters	Omitted topics
Week 1 (7 Sept)	<i>Introduction</i> <i>Chapter 1 - What is Economics</i>	<i>Chapter 1:</i> OMIT “Economics as a Social Science and Policy Tool” pg. 11 OMIT “Economist in the Economy” pgs. 12 – 13 OMIT “Mathematical Note” pgs. 28 – 30
Week 2 (10-12-14 Sep)	<i>Chapter 2 - The Economic Problem</i> <i>Chapter 4 - Monitoring the Value of Production: GDP</i>	<i>Chapter 2:</i> OMIT “Using Resources Efficiently” pgs. 37 - 39 OMIT “Gains From Trade” pgs. 40 – 44
Week 3 (17-19-21 Sep)	<i>Chapter 4 - Monitoring the Value of Production: GDP</i>	<i>Chapter 4:</i> OMIT “The Standard of Living Across Countries” pg. 96 OMIT Appendix pgs. 102 – 103

	Chapter 5: Monitoring Jobs and Inflation	OMIT Mathematical Note pgs. 104 – 105
Quiz #1: 22 23 September (on LEARN)		
Week 4 (24-26-28 Sep)	Chapter 5: Monitoring Jobs and Inflation	
	Chapter 7: Finance, Saving, and Investment	
Week 5 (1-3-5 Oct)	Chapter 7: Finance, Saving, and Investment	Chapter 8: OMIT Mathematical Note pgs. 206 – 207
	Chapter 8: Money, the Price Level, and Inflation	
Midterm 1: Wednesday, 3 October 2018 (in class)		
Week 6 (12 Oct)	Chapter 8: Money, the Price Level, and Inflation	
Week 7 (15-17-19 Oct)	Chapter 8: Money, the Price Level, and Inflation	Chapter 9: OMIT “Arbitrage, Speculation, and Market Fundamentals” pg. 222 – 224
	Chapter 9: The Exchange Rate and the Balance of Payments	OMIT “Financing International Trade” pgs. 228 – 233
Quiz #2: 20 – 21 October (on LEARN)		
Week 8 (22-24-26 Oct)	Chapter 9: The Exchange Rate and the Balance of Payments	Chapter 10: OMIT “Macroeconomic Schools of Thought” pgs. 258 – 259
	Chapter 10: Aggregate Supply and Aggregate Demand	
Week 9 (29-31 Oct – 2 Nov)	Chapter 10: Aggregate Supply and Aggregate Demand	Chapter 11: OMIT “The Multiplier and the Price Level” pgs. 281 - 285
	Chapter 11: Expenditure Multipliers	OMIT Mathematical Note pgs. 288 – 291
Quiz #3: 3 – 4 November (on LEARN)		
Week 10 (5-7-9 Nov)	Chapter 11: Expenditure Multipliers	
Midterm 2: Friday, 9 November 2018 (in class)		

Week 11 (12-14-16 Nov)	Chapter 12: The Business Cycle, Inflation, and Deflation	<i>Chapter 12:</i> OMIT “The Business Cycle” pgs. 298 – 302 OMIT “The Phillips Curve” pgs. 312 – 313
Week 12 (19-21-23 Nov)	Chapter 13: Fiscal Policy	
Week 13 (26-28-30 Nov)	Chapter 14: Monetary Policy	<i>Chapter 14:</i> OMIT “Financial Crisis: Cure and Prevention” pgs. 361 – 363
Quiz #4: 1 – 2 December (on LEARN)		
Week 14 (3 Dec)	Chapter 14: Monetary Policy	

Important Notices

Examination Policy

- The format for quizzes, midterms and the final exam will be multiple choice questions and/or written problems. The midterm tests will be written in class time. Quiz and midterm grades will be posted on Learn.
- No deferred or make-up quiz or midterm tests. 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 quiz or midterm to the final exam. This remedy is a privilege and not a right. Immediately upon your return, please deliver to me a **hard copy** of your medical document. Otherwise, a mark of zero will be given to the missed test. The midterm and quiz schedule is set and will not be changed for any reason.
- Late submission of exam papers is not accepted and missed submissions will receive a grade of zero for whatever reason. Exam papers must be submitted in whole and on time in the exam room. Exam papers
 - not submitted on time,
 - submitted with missing pages,
 - submitted elsewhere, with the exception of students with permission to write in the AS Office,
 - or not received at all will receive a grade of zero for whatever reason.
- 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. The final exam schedule is posted online, will be announced in class, and posted on LEARN. There will be no accommodation for possible differences in exam material or content.

Electronic Device Policy

- Laptop computers or other electronic devices (i.e., Apple or Android smartphones and tablets) may only be used to view lecture material.

Attendance Policy and Classroom Protocols

- Class attendance is an integral part of the course. Although attendance is not formally taken, it is critical for understanding the course material. Students are responsible for all material covered whether they choose to attend lectures or not.
- To maintain a classroom environment that is conducive to learning, students are expected to have the highest level of courtesy and professional behavior. Students must be punctual. If you know that you have to leave early, seat yourself near an exit. Please turn off all audible ringers on phones and other electronic devices while in class.

Study Tips

Read the material and practice, practice, practice. I would urge you to reserve at least six hours a week to read the material (e.g., textbook chapters and notes) and do all the problems at the end of the chapters in the textbook. Do not wait until a couple of days before the exams—you will be overwhelmed.

Places to learn more about economics

This list is mainly taken from the website of American Economic Association (<https://www.aeaweb.org/resources/students>) and it is addressed to all students who has interest on further materials about macroeconomics.

Books:

- Charles Wheelan, **Naked Economics: Undressing the Dismal Science**, (W. W. Norton, 2010) ISBN 0393337642
- Daron Acemoglu and James Robinson, **Why Nations Fail: The Origins of Power, Prosperity, and Poverty** (New York: Crown Publishing Group, 2012) 978-0307719218
- Joseph E. Stiglitz, **The Price of Inequality: How Today's Divided Society Endangers Our Future**, (W. W. Norton, 2012) ISBN 978-0393088694
- Joseph E. Stiglitz, **Freefall**, (W. W. Norton, 2010) ISBN 978-0393075960
- Paul Krugman, **The Return of Depression Economics and The Crisis of 2008**, (W. W. Norton, 2009) ISBN 978-0393071016
- Robert L. Heilbroner, **The Worldly Philosophers**, seventh edition (New York: Touchstone Books, 1999) ISBN 068486214X

- Rudyard Griffiths, **Should We Tax The Rich More?**, (Aurea Foundation, 2013) ISBN 978-1770894211
- Steven D. Levitt and Stephen J. Dubner, **Freakonomics: A Rogue Economist Explores the Hidden Side of Everything**, (New York: Harper Perennial, 2005) ISBN 0060731338
- Steven D. Levitt and Stephen J. Dubner, **SuperFreakonomics: Global Cooling, Patriotic Prostitutes, and Why Suicide Bombers Should Buy Life Insurance**, (William Morrow, New York, 2009)
- Steven D. Levitt and Stephen J. Dubner, **Think Like a Freak: The Authors of Freakonomics Offer to Retrain your Brain**, (William Morrow, 2014). 0062218336

Podcasts:

- EconTalk - sponsored by The Library of Economics and Liberty

Blogs:

- Core Economics
- Economix (New York Times)
- Freakonomics Blog (Steve Levitt and Steve Dubner)
- Paul Krugman website
- Greg Mankiw's Blog
- Macroadvisers (Macroeconomic Advisers)
- macroblog (David Altig)
- Money, Banking, and Financial Markets (Steve Cecchetti and Kim Schoenholtz)
- NEP-LTV Blog: Unemployment, Inequality & Poverty
- NEP-OPM Blog: Open Economy Macro
- Real Time Economics (Wall Street Journal)

Economics Department Deferred Final Exam Policy

Deferred Final Exam Policy found at <https://uwaterloo.ca/economics/undergraduate/resources-and-policies/deferred-final-exam-policy>

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.

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. 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](#).

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. 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](#).

Accommodation for Students with Disabilities

Note for students with disabilities:

[The AccessAbility Services office](#), located on the first floor of the Needles Hall extension (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 you are 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

Mental Health Support

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

On Campus

- Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 ext 32655
- [MATES](#): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

Off campus, 24/7

- [Good2Talk](#): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- [Here 24/7](#): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- [OK2BME](#): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](#)

Download [UWaterloo and regional mental health resources \(PDF\)](#)

Download the [WatSafe](#) app to your phone to quickly access mental health support information

Territorial Acknowledgement

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabeg and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.