

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

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**Office Hours:** Mon & Wed 10:15 a.m. – 12:30 p.m., or by appointment.

**Term/Year:** Fall 2017

**Class days/times:** Mon & Wed & Fri 8:30-9:20am

Mon & Wed & Fri 1:30-2:20pm

**Building/room number:** DC 1350

**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, participate in class discussion, and do the homework assignments. Knowledge of basic algebra is required for the course. A specific timetable indicating which topics will be discussed on a specific lecture dates will not be provided. Our progress will depend on class ability and interest in the lecture materials.

**Required Text**

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

## Optional Study Guide

- Cohen, Avi J. and Harvey B. King, *Macroeconomics, Flex Text*. Toronto: Pearson, 2017.
- David A. Moss, *A Concise Guide to Macroeconomics, Second Edition: What Managers, Executives, and Students Need to Know*. Harvard Business Review Press, 2014.

## 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

- When sending email, "Econ 102" must appear in the subject line and the message must include your full name and ID number.

Please use email for administrative concerns only. I will be available during office hours, or by appointment, to discuss course material.

## Evaluation

	<b>Weight</b>
Midterm exam 1 (October 6 <sup>th</sup> – Friday, in class)	20%
Midterm exam 2 (November 3 <sup>rd</sup> – Friday, in class)	20%
Final exam – (scheduled by the Registrar's office)	60%
Total	100%

## Course Outline

The following list is meant as a rough guideline. Short-term goals will be announced regularly.

### **PART 1: Introduction**

#### **Chapter 1: What is Economics**

- Introduction
- Two big economic question
- Graphs in economics

#### **Chapter 2: The Economic Problem**

- Production possibilities and opportunity cost
- Economic Growth
- Economic Coordination

## **PART 7: Monitoring Macroeconomic Performance**

### ***Chapter 20: Measuring GDP and Economic Growth***

- Gross Domestic Product
- Measuring Canada's GDP
- The uses and limitations of real GDP

### ***Chapter 21: Monitoring Jobs and Inflation***

- Employment and unemployment
- Unemployment and full employment
- The price level, inflation, and deflation

## **PART 8: Macroeconomic Trends**

### ***Chapter 23: Finance, Saving, and Investment***

- Financial institutions and financial markets
- The loanable funds market
- Government in loanable funds market
- The global loanable funds market

### ***Chapter 24: Money, the Price Level, and Inflation***

- What is money?
- The banking system
- How banks create money
- The money market

### ***Chapter 25: The Exchange Rate and the Balance of Payments***

- The foreign exchange market
- Exchange rate fluctuations
- Exchange rate policy

## **PART 9: Macroeconomic Fluctuations**

### ***Chapter 26: Aggregate Supply and Aggregate Demand***

- Aggregate supply
- Aggregate demand
- Explaining macroeconomic trends and fluctuations
- Macroeconomic schools of thought

### ***Chapter 27: Expenditure Multipliers: The Keynesian Model***

- Fixed prices and expenditure plans
- Real GDP with a fixed price level
- The multiplier

### ***Chapter 28: Canadian Inflation, Unemployment, and Business Cycle***

- Inflation cycles
- Inflation and unemployment
- The business cycle

## **PART10: Macroeconomic Policy**

### ***Chapter 29: Fiscal Policy***

- The federal budget
- Supply-side effects of fiscal policy
- Fiscal stimulus

### ***Chapter 20: Monetary Policy***

- Monetary policy objectives and framework
- The conduct of monetary policy
- Monetary policy transmission
- Extraordinary monetary stimulus

## **Important Notices**

### ***Examination Policy***

- The format for both midterms and the final exam will be multiple choice questions. The midterm tests will be written in class time. Midterm grades will be posted on Learn.
- No deferred or make-up 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 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 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***

- THIS IS A HANDHELD-DEVICE-FREE ZONE.
- Turn off all handheld devices and put them away for the duration of the lecture.
- Laptop computers may only be used to view lecture material.
- Photographic devices are not permitted in class due to copyright issues.

### ***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.

### **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**

***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 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](#).

### **Accommodation for Students with Disabilities**

***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.

### **Mental Health Services**

[Mental Health Services](#) aim is to provide holistic programming and services to help you lead a healthy and balanced life. We strive to provide a secure, supportive environment for students of all orientations and backgrounds.

Students suffering from problems with anxiety, depression, problems with sleep, attention, obsessions or compulsions, relationship difficulties, severe winter blues, etc., may make an appointment by phone or in person. Appointments are usually available within two days of initial contact with one of our medical doctors. All contacts are completely confidential.

### *On Campus*

- Counselling Services: [counselling.services@uwaterloo.ca](mailto:counselling.services@uwaterloo.ca) / 519-888-4567 xt 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](#).

### **Territorial Acknowledgement**

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe 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.

For more information about the purpose of territorial acknowledgements, please see the [CAUT Guide to Acknowledging Traditional Territory \(PDF\)](#).