

# University of Waterloo - Department of Economics

## Economics 306 - Macroeconomics

**SUBJECT TO CHANGE** - Updated: January 2, 2018

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Term: WINTER 2017: January 3<sup>rd</sup> - April 4<sup>th</sup>  
Time: Mon & Wed 17:00-18:20  
Room: STC 0020  
Office Hours: TBD

Instructor: Joe Lesica  
My office: TBA  
E-mail: [j2lesica@uwaterloo.ca](mailto:j2lesica@uwaterloo.ca)

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**Course Description:** This course serves as an introduction to the theory and practice of macroeconomics at the undergraduate level. It introduces students to the analysis of inter-temporal trade-offs in macroeconomics. Emphasis is on the *microeconomic* foundations of macroeconomics. Topics include, among others, dynamic general equilibrium analysis, household choice of consumption demand, business cycles, economic growth, government budget, and monetary policy. To enhance the learning experience, students are strongly encouraged to attend all lectures, read/analyze/ textbook and journal articles, and participate in class discussion.

**Required Textbook:** Stephen Williamson, 2018, Macroeconomics, 5th Canadian Edition, Pearson  
The book is available at UW's bookstore, Amazon or directly from the publisher.

**Optional Additional Book 1:** Robert Barro, 1997, Macroeconomics, MIT Press.  
<https://mitpress.mit.edu/books/macroeconomics-0>

This classic has been the staple textbook that emphasizes how market-clearing models with strong microeconomic foundations can be used to understand real-world phenomena and to evaluate alternative macroeconomic policies. Emphasizes intuition and treatment of topics does not make use of the math.

**Optional Additional Book 2:** Matthias Doepke, Andreas Lehnert, and Andrew Sellgren, 1999, Macroeconomics.  
FREE ONLINE at <http://faculty.wcas.northwestern.edu/mdo738/book.htm>

A supplement to Robert Barro's *Macroeconomics* that uses calculus to derive formal models.

**Intended Learning Outcomes:** By the end of the course, the student should:

- (1) possess basic knowledge of modern macroeconomics models.
- (2) be able to interpret business cycle developments using macroeconomic models.
- (3) be able to interpret real world macroeconomic issues and policies with macroeconomic models.

### Prerequisites: ECON 391

A working knowledge of calculus, linear algebra, and statistics is required, at least at the introductory level. It is assumed that students have and are able to apply the knowledge of the material taught in ECON 391. For detailed information on prerequisites and co-requisites please check the following webpage:

<http://www.ucalendar.uwaterloo.ca/1718/COURSE/course-ECON.html>

### Grade Distribution

The course will 'feature' 2 or 3 assignments, and three term tests. The assignments are VERY important and are actually worth more than the mathematical 30% because they help you prepare for the upcoming term tests. In other words, if you start working on the assignments early, ask questions when you need clarification, and make sure you understand what is being asked and what is expected as a good answer, the assignments have a positive externality on your final grade!

Assignments (3 or 2)	30%
Term Test 1	20%
Term Test 2	25%
Term Test 3	25%

## ‘OPTIMISTIC’ COURSE OUTLINE & CALENDAR - **SUBJECT TO ADJUSTMENT**

- W Ch1 & Ch2 - Introduction & Measurement
- W Ch3 - Business Cycle Measurement
- W Ch4 & 5 and B Ch2 & 3 - Consumer and Firm Behaviour & One-Period Macroeconomic Model
- **Term Test 1**
- W and B Ch6 & 10 - Labor Market and Unemployment
- W Ch9 and B Ch3 & 5 - Two-Period Market Clearing Model, Credit Markets
- W Ch11 and B Ch9 - Real Intertemporal Model with Investment and Business Cycle
- **Term Test 2**
- W Ch12 and B Ch8 & 9 - Money, Interest Rates and Monetary Intertemporal Model
- W Ch13 - Business Cycle Models with Flexible Prices and Wages
- W Ch14 and B Ch20 - New Keynesian business cycle

January 2018					February 2018				
Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri
1	2	3 W 1/2	4	5				1	2
8 W 2	9	10 W 3	11	12	5 W 6	6	7 W 6	8	9
15 W 3/4	16	17 W 4	18	19	12 W 9	13	14 W 9 Ass 2	15	16
22 W 5 Ass 1	23	24 W 5	25	26	19 WINTER	20	21 BREAK	22	23
29 W 5 Ass 1 DUE	30	31 Test 1			26 SW 11	27	28 SW 11		
March 2018					April 2018				
Mon	Tue	Wed	Thu	Fri	Mon	Tue	Wed	Thu	Fri
			1	2	2 Last Class Test 3	3	4 Friday Schedule	5	6
5 W 11 Ass 2 Due	6	7 Test 2	8	9					
12 W 12	13	14 W 12	15	16					
19 W 13	20	21 W 13 Ass 3	22	23					
26 W 14	27	28 W 14 Assig. 3 DUE	29	30					

## Missed Work Policy

1. There are **NO** deferred term tests, alternative dates or take-home exams.
2. All exams will be held during the regular class period and in the lecture classroom. Detailed information about the assignments and exams will be given in class.
3. Unless otherwise announced, assignments are due at the beginning of class on the due date, and must be on paper with the pages neatly stapled together and identified with the student's name and student number. Late assignments, especially after the solutions are posted, are not accepted.
4. In the event that you do have to miss writing **ONE** term test **OR** handing in one assignment, for whatever reason, the grade portion of any missed assignment **OR** the midterm will be **added to the weight of the last Term Test 3**. No questions asked. You have a one time free pass. But ...

**IMPORTANT:** You have to contact me **IMMEDIATELY** that you have missed one of the assessments. This means within 48 hours. There must be an email record of you contacting me. This policy is valid one time only, for only **ONE** assessment - a midterm **OR** an assignment.

5. If you miss a second term test or assignment **you will receive a grade of '0' (zero) for it**. In order to avoid this undesirable outcome, you **must** bring a valid, original, and acceptable document confirming the medical, religious, compassionate or emergency reason why you missed the assessment.

## 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.

## 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](mailto: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

### On Campus

- **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.

## Economics Department Deferred Final Exam Policy

There is no regularly schedule final exam, but the deferred Final Exam Policy found at <https://uwaterloo.ca/economics/undergraduate/resources-and-policies/deferred-final-exam-policy>

## 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](#).

## Email Policy

I encourage you to email me with questions and concerns that you might have about the course. However . . .  
. . . ALL e-mails sent from students to instructors and TAs, and to staff, must originate from your UWaterloo e-mail account. This protects confidentiality, identifies you as a student in my class and maintains professional communication. It is your responsibility to ensure that communications are sent from your University of Waterloo email account. **Emails originating from alternate, private addresses (gmail, yahoo, hotmail, etc.) will be ignored and deleted.**

## Electronics & Calculators

Use of technology by students and instructors, specifically laptops and tablets, is permitted during class provided it is used for educational purposes only (i.e., learning directed related to the course). Periodically, we might do this jointly as a class.

Use of all other mobile devices, specifically smart phones, is not permitted in class. Off-task use (e.g., paying bills, facebooking, instagramming, pinteresting, texting, tumbling, tweeting, tinder, etc. ) during class time is distracting to other students and to ME! I will ask you to turn phones off and put them away if I think you are being distracting to other students AND to me in the classroom. Failure to comply may result in you being asked to leave your device in your bag or at the front of the room for all or part of the class/course, or being asked to leave the classroom.

### **Modification of Course Outlines**

The instructor and university reserves the right to change or revise information contained in course outlines in some circumstances, such as inclement weather. If a modification becomes necessary, reasonable notice and communication with the students will be given with an explanation and the opportunity to comment on changes. It is the responsibility of students to regularly check their primary UWaterloo email account.

### **Territorial Acknowledgement**

We acknowledge that we are 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.