Intermediate Macroeconomic Theory and Policy  
ECONOMICS EC2152A-002  
Department of Economics  
The University of Western Ontario

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Office Hours: Tuesday &Thursday 2-3pm  
Classroom meeting time(s) & location: 
Tuesday: 3.30-4.30pm 3M 3250  
Thursday: 3.30-5.30 pm  
Course website: https://owl.uwo.ca  
Undergraduate inquiries: 519-661-3507 SSC Room 4075 or econugrd@uwo.ca

Registration  
You are responsible for ensuring you are registered in the correct courses.  If you are not registered in a course, the Department will not release any of your marks until your registration is corrected.  You may check your timetable by using the Login on the Student Services website at https://studentservices.uwo.ca/secure/index.cfm. If you notice a problem, please contact your home Faculty Academic Counsel.

Prerequisites  
Economics 1021A/B and 1022A/B, or Economics 1020 or 2001A/B, and one of MCV4U, Mathematics 0110A/B, Calculus 1000A/B, Mathematics 1225A/B or the former Calculus 1100A/B. You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an antirequisite course. Lack of prerequisites may not be used as basis of appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment in your fees. This decision can not be appealed. If you do not have the course prerequisites, it is in your best interest to drop the course before the end of the add/drop period. Your prompt attention to this matter will not only help to protect your academic record, but will ensure that spaces become available for students who require this course for graduation.

Course Objectives  
This is a course in macroeconomic theory at the intermediate level. The course is primarily concerned with building a workable model of the economy that will explain the major aggregate variables. Thus, the determination of national income, consumption, investment, economic growth and business cycles and economic policy will be discussed. The course will rely on a model that incorporates the main tenets of modern macroeconomics and emphasizes the current methodology in the field. The course is primarily a course in theory; however we will attempt to provide examples from the recent and current Canadian economy to illustrate the workings of the theory.
Learning Outcomes
Upon successful completion of the course, the student will:
- acquire an understanding of the methodology used in constructing a model for economic analysis.
- construct a model based on the current tenets of macroeconomic theory.
- use the constructed model to analyze the effects of policy and productivity shocks on macroeconomics variables.
- get a glimpse of the overall scientific flavour of macroeconomics. This should give students intending to become professional economists or financial analysts an indication of what they will need to pursue in future studies.

Course Materials
The textbook for this course is Williamson 4th Canadian edition, Addison Wesley 2013. The text is based on a modern approach and uses techniques that are appropriate for the model. There will also be a course website at http://owl.uwo.ca This site is a supplemental tool and should not be regarded as a substitute for lectures. All class material is subject to examination regardless of whether it is referred to or not on the website. **Students are reminded that some material done in class is NOT covered in the text. All material that is covered in class but not taken up in the text is subject to examination.**

Evaluation
The course grade will be based on two midterm tests and a final exam. The midterms are modular and the final is comprehensive. The material for all tests and exams consists of the topics covered in the text (see below), the corresponding material in the study guide and the material covered in the lectures. Some of the topics covered in the lectures, including problems done in class, may not appear in the text. Students are reminded that they are responsible for this material. The distribution of the marks is as follows:

Midterm I 25%
Midterm II 25%
Final 50%

**Dates (These dates are tentative and have yet to be confirmed).**
Oct 2, Thursday ... 3.30PM-5.30PM
Nov 6, Thursday ... 3.30pm-5.30PM

Introduction
This section will cover basic definitions and the calculation of national income/output. As well, the major variables and attributes of the business cycle are examined.

Text chapters 2, 3.

Consumer and Firm behavior.
In this section the representative consumer and the representative firm is introduced. This topic makes up the starting point of our model.

Text chapter 4.
**One period model of the economy**
In this section the government sector is added to the consumer’s and the firm’s decisions and equilibrium is obtained.

Text chapter 5.

**Saving**
In this section the model extends the consumer to two periods and studies consumption allocation across time.

Text chapter 9, 10

**Two period model of the Economy.**
Here the individual parts of the model are brought together and the basic model renders a macroeconomic equilibrium.

Text chapter 11.

**Money**
This section introduces money into the model and its relationship to economic activity.

Text chapter 12.

**Economic Growth**
This section deals with the long run growth of the economy.

Text chapter 7

**Theories of the business cycle**— IF TIME ALLOWS ..........class notes and chapter 13
Please Note
Department Policies for 2014 – 2015

Remember that the University expects all students to take responsibility for their own academic Programs. Also remember to check your registration to make sure you are enrolled in the correct courses.

1. Guidelines and policies for the Faculty of Social Science and the Department of Economics are posted online in the current Western Academic Calendar at http://westerncalendar.uwo.ca.


3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat”. The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other economics courses or programs. The University may impose further penalties such as a notation on your official academic transcript, suspension or expulsion.

4. **Plagiarism:** Students must write their essays and assignments in their own words. Whenever students take an idea or a passage from another author, they must acknowledge it by using quotation marks where appropriate and referencing with footnotes or citations. Plagiarism is a major academic offense (see Scholastic Offence Policy in the current UWO Academic Calendar at http://westerncalendar.uwo.ca/2014/pg113.html).

The University of Western Ontario uses software to check for plagiarism and students may be required to submit their written work in electronic form. Those found guilty will have penalties imposed as noted in point 3.

5. It is Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students are responsible for submitting assignments in class or to the instructor during office hours.

6. When appealing a mark, students should refer to the University’s Procedures in the current UWO Academic Calendar (http://westerncalendar.uwo.ca/2014/pg112.html). Please note the relevant deadlines.

The Department will not consider any appeal unless an attempt has been made to settle the matter first with your instructor. If after this discussion you remain dissatisfied with a grade or other decision, you may proceed with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for your appeal. A useful form and checklist is provided at (http://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals).
7. Systematic adjustments of a class grade distribution (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.

8. Note the following add and drop deadlines:

   Last day to **add** a full course or First term half course:  
   **Friday, September 12th, 2014**

   Last day to **drop** second term half course without academic penalty:  
   **Wednesday, November 5th, 2014**

9. Faculty of Social Science policy states that oversleeping or misreading an exam schedule is not an excuse for a make-up. This rule applies to all mid-term tests and final exams in the Department of Economics.

   **Policy Regarding Makeup Tests and Final Examinations**

   *Academic Accommodation will not be granted automatically on request. You must demonstrate by documentation that there are compelling medical or compassionate grounds before academic accommodation will be considered.*

   If you decide to write a test or an examination, you must be prepared to accept the mark you earn. Rewriting tests or examinations, or having the value of the test or examination reweighted on a retroactive basis, is **not** permitted. Book airline flights after you know the dates of your final examinations. Airline flights must not conflict with test or final exams.

   If you are requesting a makeup test for a midterm or a final examination, unless medically incapable, notify your instructor by email or phone, preferably prior to the scheduled date of the test, but definitely within **24 hours** of the date of the test or exam. Failure to follow this procedure may result in denial of a request for academic accommodation or result in a grade of zero. Set up an appointment as soon as possible to meet personally with your instructor. If the instructor is not available, you may send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca (Social Science Room 4075). **Notifying your instructor of a missed test or exam does not automatically entitle you to a makeup test.**

   Students who seek a makeup test or examination must provide medical or other relevant verification that their absence from a regularly scheduled test or examination is beyond their control. Documentation must support your reasons. Medical documentation should be given to the Academic Counselling Office of your **home** Faculty **as soon as possible (preferably within 24 hours of the test)** if you know you may not be able to write your final examination on the scheduled day and time. Failure to follow this procedure, or to provide supporting documentation, may result in denial of a request for academic accommodation or result in a grade of zero. If your documentation is not acceptable, you will be given a zero for the missed test.

   For personal illness, if you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. If
you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must be used and can be found at: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf. Notes stating "For Medical Reasons" are not considered sufficient.

For any other circumstances, if you are not sure what documentation to provide, ask your Academic Counselor. If your documentation is judged sufficient, the academic counselor will issue a Recommendation for a Special Examination (a single form for midterms or a triple color form for final examinations). Once you have this form, contact your instructor as soon as possible to make arrangements. Even if approved from your home faculty Academic Counsellor, there is no guarantee that you will be allowed to write the makeup test and exam.

For final examinations, you need permission from your home Faculty Counsellor, your instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in an examination grade of zero. You must ensure that the Special Examination form has been signed by the instructor and Department Undergraduate Director and that the form is returned to the Academic Counseling Office for approval without delay. Make-up final examinations, if permitted, will be written within one month of the end of the exam period.

Policies Regarding Academic Accommodation

Information about the Faculty of Social Science’s policies regarding academic accommodation is found on its website at http://counselling.ssc.uwo.ca/procedures/havingproblems.asp or in Social Science Room 2105. Your “Academic Rights and Responsibilities” are also outlined in the current UWO Calendar at http://westerncalendar.uwo.ca/2014/pg111.html. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated procedures.

Policy Regarding Class Attendance

If your instructor views your class attendance as unsatisfactory, you can be prohibited from writing the final examination. If there is intent to make use of this University policy, you will be notified in writing.

Statement on Mental Health and Support Services

If you or someone you know is experiencing emotional/mental distress, there are several resources here at Western to assist you. Please visit http://www.uwo.ca/uwocom/mentalhealth/ for more information and a complete list of resources, as well as how to obtain help.