The University of Western Ontario
Department of Economics

**Intermediate Macroeconomic Theory and Policy I – Distance Studies**
Economics 2152A-650

Instructor: Hiroaki Mori       Summer 2014
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Website Address: [http://owltoo.uwo.ca](http://owltoo.uwo.ca)

**Office Hours:** An office hour will be set before each assignment and the final exam. Otherwise, students are encouraged to contact instructor by e-mail.

**Course Description:**
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.

Since this is an online course, all other course material, as well as assignments and quizzes, will be provided exclusively through OWL. Assignments and quizzes will only be accepted through OWL.

**Course Learning Outcomes:**
Students will learn to interpret major macroeconomic variables, such as Gross Domestic Product and the Consumer Price Index, with economic models that may explain how these variables are determined in the economy as the result of interactions between consumers and producers.

Students will be able to discuss the major macroeconomic theories and will be familiar with the economic approaches to analyze macroeconomic data.

Students will be able to identify how macroeconomic policies, including taxes, government spending and money supply, may or may not affect the measured outcomes of the economy.

**Textbook:**

It is required that students have accesses to the textbook, and they are highly recommended to have the study guide as well. A copy of the textbook should
be available in the reserve section of the Weldon library once the term begins.

**Registration:**
You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release 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](https://studentservices.uwo.ca/secure/index.cfm) (Choose “personal timetable”). If you notice a problem, please contact your faculty academic counsellor right away.

**Prerequisite Note:**
The prerequisites for this course are *Economics 1021A/B and 1022A/B, or Economics 1020, and one of MCV4U, Mathematics 0110A/B, Calculus 1100A/B, or the former OAC MCB4U.*

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 a basis for 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 to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

**Evaluation:**
The course grade will be based on three assignments, five quizzes, and a final exam. Both the assignments and quizzes will be submitted via OWL. Each quiz will take approximately 30 minutes and can be written over a two-day period. Each assignment will include at least one calculation question and one question requiring you to work with data. The final exam will be written in person. The assignments and quizzes will be modular, while the final exam will be a comprehensive evaluation, covering material provided on the course website and the relevant topics in the textbook.

The distribution of the marks is as follows:
- Assignments 25%
- Quizzes 25% (Best 4 out of 5)
- Final 50% (TBA ~ Late July)
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**Late/Missed Assignments or Quizzes:**
If a student is unable to write one of the quizzes, it will be counted as their dropped quiz. Any subsequent missed quizzes will be given a grade of zero. Late assignments will be assessed a 10% penalty the first day, and not accepted subsequently. If a student misses more than one quiz or fails to submit an assignment on time, and has a valid reason, it is their responsibility to contact the instructor and explain the reason. Proof supporting this reason may be requested by the instructor.

**Tentative Course Schedule:**

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<td>Dynamic Model 1</td>
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<td>Final Exam</td>
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**Tentative Course Outline:**

**Introduction and Measurement Issues**
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 1, 2, 3.
**Consumer and Firm Behaviour**
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 a macroeconomic equilibrium is obtained. Text chapter 5.

**Dynamic Model 1: Two-Period Model of the Economy**
This section studies the implications of dynamic decisions making of consumers, which involve economic trade-offs across two periods of time. This section also features how credit market imperfections affect consumer's decisions. Text chapters 9 and 10.

**Dynamic Model 2: Real Intertemporal Model with Investment**
Here the individual parts of the model are brought together to build and equilibrium model that can serve as a basis for analyzing how macroeconomic shocks affect the economy and that can be used for evaluating the potential role of macroeconomic policies. Chapter 12 adds money into the intertemporal economic model. This will allow us to describe the interest rate and other variables in nominal terms and will make a step toward understanding the role of monetary policies. Text chapters 11 and 12.

**Economic Growth**
This section deals with the long run growth of the economy, by presenting key empirical regularities relating to economic growth and by presenting economic models that help us understand why economies do or do not grow over time. Text chapter 7.
Please Note

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 behaviour. 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 offence (see Scholastic Offence Policy in the current UWO Academic Calendar at http://westerncalendar.uwo.ca/2013/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/2013/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:

Dates for adding courses in the summer:
- Last day to add a Distance Studies Course: Friday, May 9, 2014
- Last day to add an Intersession Course: Tuesday, May 13, 2014
- Last day to add a first term half course Summer Evening: Friday, May 9, 2014
- Last day to add a second term half course Summer Evening: Friday, June 20, 2014

Dates for dropping Courses in the summer:
- Last day to drop a Distance Studies Course: Friday, May 30, 2014
- Last day to drop an Intersession Course: Thursday, May 22, 2014
- Last day to drop a first term half course Summer Evening: Friday, May 16, 2014
- Last day to drop a second term half course Summer Evening: Friday, June 27, 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 ASAP 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 Chair. 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 Chair 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/2013/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 debarred 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.