

**INTERMEDIATE MACROECONOMIC THEORY AND  
POLICY II  
ECONOMICS EC2153B-001**  
Department of Economics  
Western University

**Instructor's Name: Miguel Cardoso**

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**Office Hours:** Tuesday, 4:30 pm – 6:30 pm  
**Class Hours:** Monday & Wednesday, 7:00 pm - 10:00 pm  
**Class Location:** SSC 2032  
**Course website:** <https://owl.uwo.ca>

**Undergraduate inquiries (SSC Room 4075):**

Phone: 519-661-3507

Email: [econugrd@uwo.ca](mailto:econugrd@uwo.ca)

### **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 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://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

### **Prerequisite Note**

The prerequisite for this course is **Economics 2152A/B**.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken an anti-requisite course. Lack of pre-requisites 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.

## **Course Objectives:**

This course is a continuation of macroeconomics 2152. In this course we will examine models of the business cycle, trade and international open economy issues, monetary policy, employment and economic growth. The course uses a modern approach (with micro-foundations) to study macroeconomic issues.

## **Learning Outcomes:**

Upon successful completion of the course:

- 1) the student will be able to identify the various phases of the business cycle and explain how key macroeconomic variables behave in these phases.
- 2) the student will be able to explain how monetary policy affects the economy, while discussing the advantages and disadvantages of various types of policies, and understanding the role of the Bank of Canada and the government in implementing these policies.
- 3) the student will be able to contrast and explain recent recessions in Canadian history as well as the financial crisis.
- 4) the student will be able to distinguish between the sources of growth and solve graphically and algebraically for equilibrium.
- 5) the student will be able to analyze and explain the determinants and their effects on the labour, goods and money markets.
- 6) the student will be able to apply the main macroeconomic theories in analysis of the determinants of business cycles and the implications for government intervention.
- 7) the student will be able to critically evaluate the consequences of basic macroeconomic policy options under differing economic conditions within a business cycle.

## **Textbook:**

Stephen D. Williamson, Macroeconomics, 4<sup>th</sup> Canadian edition, Pearson, Toronto.

## **Lecture Slides:**

Most of the material taught will come from the required textbook. I will post lecture slides on the course website; however, they will not contain the detailed solutions and examples provided during the class time. If a student misses any classes, it will be his/her responsibility to obtain the notes from other students.

## **Outline of Topics Covered:**

1. Money, Banking and Prices (Ch. 12)
2. Business Cycle Measurement (Ch.3)
3. Business Cycle Models with Flexible Prices (Ch.13)
4. International Trade (Ch.15)

5. Money in the Open Economy (Ch.16)
6. Money and Banking (Ch. 17)
7. Central Bank (Ch. 18)
8. Unemployment (Ch. 6)
9. Economic Growth (Ch. 7)
10. Endogenous Economic Growth and Human Capital (Ch. 8)

**Evaluation:**

Four Online Quizzes: 20%

Midterm: 30% (July 6<sup>th</sup>)

Final: 50%

The format of midterms and exams will be a combination of multiple choice and short answer questions.

**Tentative Course Schedule:**

<b>Date</b>	<b>Content</b>
Class 1 (June 20 <sup>th</sup> )	1. Money, Banking and Prices (Ch. 12)
Class 2 (June 22 <sup>nd</sup> )	2. Business Cycle Measurement (Ch.3) <b>3. Online Quiz 1 Available</b>
Class 3 (June 27 <sup>th</sup> )	4. Business Cycle Models with Flexible Prices (Ch.13)
Class 4 (June 29 <sup>th</sup> )	5. International Trade (Ch.15) <b>6. Online Quiz 2 Available</b>
Class 5 (July 4 <sup>th</sup> )	7. Money in the Open Economy (Ch.16)
Class 6 (July 6 <sup>th</sup> )	<b>8. Midterm Examination</b>
Class 7 (July 11 <sup>th</sup> )	9. Money and Banking (Ch. 17)
Class 8 (July 13 <sup>th</sup> )	10. Central Bank (Ch.18) <b>11. Online Quiz 3 Available</b>
Class 9 (July 18 <sup>th</sup> )	12. Unemployment (Ch. 6)
Class 10 ( July 20 <sup>th</sup> )	13. Economic Growth (Ch. 7) <b>14. Online Quiz 4 Available</b>
Class 11 (July 25 <sup>th</sup> )	15. Endogenous Economic Growth and Human Capital
Class 12 (July 27 <sup>th</sup> )	16. Review Class

This is a tentative outline and adjustments may take place as the course progresses. Any changes to the assigned readings will be announced in class.

## Please Note

### Department Policies – Summer 2016

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>.
2. Students must familiarize themselves with the “Rules of Conduct for Examinations” <http://westerncalendar.uwo.ca/2016/pg136.html>.
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/2016/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/2016/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](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 <u>add</u> a Distance Studies Course	Monday, May 13, 2016
Last day to <u>add</u> an Intersession Course:	Tuesday, May 17, 2016
Last day to <u>add</u> a first term half course Summer Evening:	Friday, May 8, 2016
Last day to <u>add</u> a second term half course Summer Evening:	Friday, June 24, 2016

Dates for **dropping** Courses in the summer:

Last day to <u>drop</u> a Distance Studies Course	Monday, June 13, 2016
Last day to <u>drop</u> an Intersession Course	Monday, June 6, 2016
Last day to <u>drop</u> a first term half course Summer Evening:	Monday, June 6, 2016
Last day to <u>drop</u> a second term half course Summer Evening:	Friday, July 18, 2016

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](mailto: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](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 Counsellor. 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/2016/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.