

Intermediate Macroeconomic Theory and Policy
ECONOMICS EC2152A-001
Department of Economics
Western University

Summer 2023

Instructor: Aisha Arooj Khan
Office: 4082 SSC
Phone: 519-661-2111 ext. 85276
E-mail: akha83@uwo.ca

Office hours: M/W 5-6 pm;
appointments are advised, please email in advance
Delivery mode: *In-person lectures, online zoom/in-person office hours*
Meeting times: Mondays/Wednesdays 7-10 pm

Classroom: SSC 2020
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or 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 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/Antirequisite Note:

The prerequisites for this course are **Economics 1021A/B and 1022A/B or 2001A/B** and **one of MCV4U, Mathematics 0110A/B, Calculus 1000A/B, Calculus 1500A/B, Mathematics 1225A/B** or the former **Calculus 1100A/B**.

The antirequisite is **Economics 2220A/B**.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. 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.

Course Description:

This is the first macroeconomics course in the intermediate level. This course uses macroeconomic theory based on microeconomic principles to study common topics encountered in macroeconomics including business cycles, savings-investment, inflation, unemployment, economic growth and financial crises. Some policy issues will be also addressed.

Course Learning Outcomes:

Upon successful completion of the course, the student will be able to:

- Understand and define the basic facts in macroeconomics that help explain aggregate economic activity.
- Explain and calculate GDP using 3 different national income accounting methods.
- Understand and calculate various labour market and price level measurements.
- Understand and identify the various phases of a business cycle and explain how key macroeconomic variables behave in these phases.
- Develop macroeconomic models based on micro-foundations:
 - Individual households make leisure, consumption, and savings decisions to maximize welfare.
 - Firms make hiring and investment decisions to maximize profits.
 - Combined behavior of firms and households that helps determine aggregate outcomes.
- Compare and explain the causes and effects of changes in these models and apply this knowledge to other examples.
- Identify and explain the forces or shocks that drive the business cycle.
- Define and explain the income and substitution effects on the representative consumer's choices.
- Explain how financial markets imperfections can affect an economy.
- Explain how fiscal policy can affect an economy and differentiate between the sources of economic growth.

Textbook and Course Materials:

Required: Williamson, Stephen D., Macroeconomics, 6th Canadian Edition.

Below is the link to the paperback and e-book versions of the textbook that students can purchase through the Book Store:

Important notes: MyLab is not compulsory and is voluntary for students if they choose to register for it.

Technical Requirements:

- Laptop or computer
- Stable internet connection
- Microphone and webcam (for virtual office hours)

- For technical support, see the OWL Help page or contact Western Technology Services Helpdesk (<https://wts.uwo.ca/about-wts/contact.html>). Google Chrome or Mozilla Firefox are the preferred browsers for OWL; update your browser frequently.

If students need assistance with the course OWL site, they can seek support on the OWL Help page. Alternatively, they can contact the Western Technology Services Helpdesk. They can be contacted by phone at 519-661-3800 or ext. 83800.

Topics Covered and Readings:

Below is the tentative outline for this course with references to book chapters in parentheses. Modifications should be expected. Not all chapters will be covered in detail in class and some topics that are not in the textbook will be added in the lectures. The course will closely follow the required textbook (see above). The tentative outline is as follows:

Part I: Introduction and Measurement Issues

1. (Chapter 1) Introduction
2. (Chapters 2 and 3) Measurement Issues

Part II: Basic Macroeconomic Models

3. (Chapter 4) Consumer and Firm Behavior: The Work-Leisure Decision and Profit Maximization
4. (Chapter 5) A Closed-Economy One-Period Macroeconomic Model

Part III: Savings, Investment, and Government Deficits

5. (Chapter 9) A Two-Period Model: The Consumption-Savings Decision and Credit Markets
6. (Chapter 10) Credit Market Imperfections: Credit Frictions, Financial Crises, and Social Security
7. (Chapter 11) A Real Intertemporal Model with Investment

Part IV: Economic Growth

8. (Chapter 7) Economic Growth: Malthus and Solow

Note: Not all chapters will be covered entirely, and some topics that are not in the textbook will be added to the lectures.

Assessments and Grading:

Assessments	Tentative Date and Time	Tentative Material	Weight
Midterm 1	Wednesday, May 24, (in class)	Ch 1,2,3,4	22%
Midterm 2	Wednesday, June 7, (in class)	Ch. 5,9,10	28%
Final Exam	Set by Office Registrar / Instructor	Tentative	50%

If you are unable to take a midterm due to illness or other serious circumstances, you must get confirmation from Academic Counselling. Once the absence has been approved; the weight of the assessment will be moved to the final exam weight.

Grading:

Note that all dates and times are tentative as they must be approved by Exam Central. Note that in the event that classes move to an online status, the assessment dates, times and choices may change. All times are ET. Note that only non-programmable, non-graphing calculators will be allowed during exams.

The midterms will be mixed format (a combination of multiple choice, true/false, calculation, short answer and/or fill-in-the-blank questions). The format of the final exam will be announced in class. You are responsible for all the textbook chapters listed in the outline, as well as all material covered in lectures.

Make-Up Exams

There are no makeups for the midterms. For all missed midterms, you must take your documentation to Academic Counselling within 48 hours of the exam. You must also notify your instructor within 24 hours of the missed assessment that you have missed the quiz or midterm. You must meet both deadlines, otherwise the instructor will assign a grade of zero. For illnesses, you must print off a medical certificate and take it to the doctor, which you bring to Academic Counselling.

The medical certificate can be found at:

https://studentservices.uwo.ca/secure/medical_document.pdf. If the absence for the midterm is excused, then the percentage for that exam will be allocated to the final exam.

For those who know in advance that they have a conflict with a midterm it is your responsibility to provide the documentation to the instructor within 48 hours of the announcement of the scheduled exam. Students who miss the final exam must take their documentation to Academic Counselling and notify the instructor within 24 hours. There will be a makeup date set by the instructor. The makeup may differ in length and format from the originally scheduled exam and may be essay format. Students who miss any assessment must follow Western University's procedures for approval of their absence in order to receive an accommodation. Please see the Please Note Department Policies for 2022-2023 section of this syllabus for details on these procedures. If during the Fall 2022 term Western University announces any changes to these procedures, please follow those procedures.

OWL:

All course material will be posted to OWL: <http://owl.uwo.ca>. Lectures will be based on the book and follow the book; however, they will also include extra material not found in the book such as practice and examples. The course website will provide exam dates, assigned problems and incomplete lecture slides. Extra slides will be added to lectures that are NOT on the website. Extra problems will also be added to the lectures that will not be provided on the website. An outline of the lecture notes will be available on OWL.

It is your responsibility to check the OWL site for this class as well as your email on a regular basis. You are responsible for any announcements or assignments made in class as well as on OWL. This includes any changes made to the syllabus as well as test date changes.

Attendance Policy:

You are expected to attend class on a regular basis. There is a strong correlation between class attendance and performance on the exams. If you miss a class, it is your responsibility to find out what you have missed from a classmate.

Communication and Email policies:

Please use OWL Messages to communicate with me. I will try to respond to all emails within 48 hours, not counting weekends or holidays. Any messages sent to my work email may be missed with other emails that I receive.

Please refer carefully to the following e-mail policies. According to FIPPA, I am not allowed to respond to non-UWO email addresses. So please use your UWO email address in all communications.

I will NOT respond to emails such as the following:

- 1) Any question that is on this syllabus or elsewhere on OWL such as exam dates, exam times, course material etc. If you have not received a reply to your question, check the syllabus and OWL.
- 2) The makeup policy is clearly stated on the syllabus, refer to it if needed.
- 3) Requests for extra assignments, reweighting of exams, assignments etc. as these are prohibited under Senate regulations.

Tips on how to be successful in this class:

- Attend classes, follow the material and ask questions.
- Questions are strongly encouraged during lectures and welcomed after a class.
- Read/follow the book, practice questions and examples done in class.
- Meet with the TA during their office hours and ask practice questions during the term and in advance of assessments.

Please Note
Department & University Policies for Summer 2023

The University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. **Guidelines, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
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 suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped, or accepted by staff. Students must submit assignments to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in the Student Academic Appeals section in the current Western Academic Calendar at: http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14. **Please note the relevant deadlines.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

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:

- Distance Studies – May 12
- Intersession – May 16
- Summer Evening A Term – May 12
- Summer Evening B Term – June 23

Last Day to Drop:

- Distance Studies – June 5
- Intersession – June 5
- Summer Evening A Term – June 5
- Summer Evening B Term – June 17

Policy Regarding Makeup Tests and Final Examinations

Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policies Regarding Academic Accommodation

- Academic accommodation will not be granted automatically on request. Students must demonstrate by documentation that there are compelling medical or compassionate grounds before academic accommodation will be considered. The Faculty of Social Science's policies on academic accommodation are found at https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Students must also book travel arrangements AFTER final exam dates have been posted as they must not conflict with test or final exams.
- Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **24 hours** when requesting a makeup exam. Failure to follow this

procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message to the instructor, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

- For medical illnesses, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor, students must obtain a certificate from his/her office at the time of the visit/assessment. Student Medical Certificate (SMC) is available here:
https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf
- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons.
- **Western University policy on Consideration for Student Absence** is available here:
https://counselling.ssc.uwo.ca/procedures/probation_rtw/appeals.html
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

Policy Regarding Class Attendance and Engagement:

If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Mental Health and Support Services:

Students under emotional/mental distress should visit http://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.

Statement on Remote Proctoring:

While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.