

INTERMEDIATE MACROECONOMIC THEORY AND POLICY I
ECONOMICS 2152A-001
Department of Economics
Western University

Summer 2020

General Information:

Instructor: Jafar El Armali
Office: SSC 4064
Phone: 519-661-3500
E-mail: jelarmal@uwo.ca
Office hours: Wednesdays 4:30-6:30 PM, by email or on Zoom by appointment.
Classroom meeting time(s) & location: Online
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 Note:

The prerequisite(s) for this course are:

Economics 1021A/B and Economics 1022A/B, and one of MCV4U, Mathematics 0110A/B, Calculus 1000A/B, Calculus 1500A/B, Mathematics 1225A/B or Mathematics 1230A/B.

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

Prerequisite(s) for your course can be found in the Western Calendar at:

<http://westerncalendar.uwo.ca/Courses.cfm?Subject=ECONOMIC&SelectedCalendar=Live&ArchiveID>

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 Objectives:

This is the first course in intermediate macroeconomics. The main objective of the course is to provide students with an understanding of basic macroeconomic theory, problems, and policies. The course presents the approach of using micro-foundations to study macroeconomic issues. It develops basic theoretical models to provide intuition and to analyze these issues, then to critically assess the models and their foundations. Topics include defining and measuring macroeconomic variables, short-run fluctuations in economic activities, competitive equilibrium and the concept of Pareto optimality, and economic growth.

Course Learning Outcomes:

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

- Define macroeconomics, and discuss the scope of macroeconomists' interest.
- Define and calculate GDP using three methods of national income accounting.
- Discuss the limitations of using GDP as the sole indicator of welfare.
- Define and calculate various labour market and price level measurements.
- Identify the various phases of the business cycle and explain how key macroeconomic variables behave in these phases.
- Develop basic macroeconomic models with micro-foundations.
- Critically assess and explain the causes and effects of economic outcomes in these models and apply this knowledge to new examples.
- Define and explain the income and substitution effects on the consumer's choices.
- Determine how wages and return on capital are determined in a competitive equilibrium.
- Distinguish between the sources of economic growth.

Textbook:

Williamson, Stephen D., Macroeconomics, 5th Canadian Edition.

Below is the weblink to the textbook from the Bookstore's web site.

https://bookstore.uwo.ca/textbook-search?campus=UWO&term=N2020&courses%5B0%5D=001_UW/ECO2152A

Grading:

The course grade will be based on quizzes, a midterm exam and a final exam. All quizzes and exams will be online, and will be in multiple choice format.

There will be 5 quizzes in total, one each for Parts I, II and IV and two for Part III in the course outline below. The best 4 quizzes will enter your course grade calculation, each worth 5%. Quiz dates will be determined as we progress with covering the material during the semester.

The midterm exam will cover Parts I and II in the course outline below (that is, chapters 1 to 5). The final exam will cover Parts III and IV in the course outline below (that is, chapters 9, 10, 11 and chapter 7).

Quizzes and exams must be written on the assigned time and dates. No make-ups will be given. If a single quiz or exam is missed and the student's absence is officially excused (including SRA), the marks from the missed quiz/exam will be redistributed to all the rest of the assessments. If more than one quiz or exam is missed, then students who miss two or more assessments should contact the instructor for additional steps and to determine if the course learning outcomes have been sufficiently met to pass the course.

Students who miss any assessments must follow Western University's procedures for approval of their absence in order to receive an accommodation. Please see the 'Please Note' section of this course outline (starting on page 5) for details on these procedures. If Western University announces any procedures for the approval of absences during Summer 2020 that supplement or supplant the information provided on this syllabus, please follow those procedures.

	Weight	Location	Length	Date
Quizzes	20%	Online	5-10 minutes each	TBA
Mid Term Exam	40%	Online	90 minutes	Tues. May 19, 2020
Final Exam	40%	Online	90 minutes	Sat. June 20, 2020

Course Outline:

Each week, I will upload some material (slides, lectures....) on a chapter (or chapters) on owl. Quizzes and exams will be based on the uploaded material.

Part I

We will start with an introduction to macroeconomics and the definition and measurement of key variables and concepts.

Ch. 1: Introduction.

Ch. 2: Measurement.

Ch. 3: Business Cycle Measurement.

Part II

In this part, we will model the behavior of consumers and firms, and then develop a one-period macroeconomic model with a representative consumer and a representative firm.

Ch. 4: Consumer and Firm Behavior: The Work-Leisure Decision and Profit Maximization.

Ch. 5: A Closed-Economy One-Period Macroeconomic Model.

Part III

In this part, we extend the one-period model to a two-period model to study consumption-savings decisions, investment decisions, and credit market imperfections.

Ch. 9: A Two-Period Model: The Consumption-Savings Decision and Credit Markets.

Ch. 10: Credit Market Imperfections: Credit Frictions, Financial Crises, and Social Security.

Ch. 11: A Real Intertemporal Model with Investment.

Part IV

In the last part, we will study the sources of economic growth in the long-run.

Ch. 7: Economic Growth: Solow (Swan) Growth Model.

Copyright:

Lectures and course materials, including power point presentations, outlines, and similar materials, are protected by copyright. Students may take notes and make copies of course materials for their own educational purposes. Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, wiki material, and other course materials publicly and/or for commercial purposes without written consent.

Please Note
Department Policies for Summer 2020

Remember that 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 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://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 a notation on an official academic transcript, 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 in class or to the instructor during office hours.
6. When appealing a mark, students should refer to 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.

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 with a written appeal (e-mails are not acceptable) to the Undergraduate Director in Economics, stating the reasons for their appeal. A 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:

Session	Deadline to Add a Course
Distance Studies	Friday May 8, 2020
Intersession	Tuesday May 12, 2020
Summer Evening (first term)	Friday May 8, 2020
Summer Evening (second term)	Friday June 26, 2020

Session	Deadline to Drop a Course
Distance Studies	Monday June 15, 2020
Intersession	Monday June 8, 2020
Summer Evening (first term)	Monday June 8, 2020
Summer Evening (second term)	Monday July 20, 2020

9. 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.

Policy on Tests, Final Exams and on Missed Academic Responsibilities

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 book travel arrangements AFTER final exam dates have been posted; travel is not an acceptable excuse for absence from a final exam.

Students who are temporarily unable to meet academic requirements due to extenuating circumstances can follow Western University procedures to request academic consideration through the following routes:

- a) Submit a Self-Reported Absence form if the conditions for submission are met (e.g., only for exams or assessments worth 30% or less of the course mark; not applicable to final exams; maximum one self-reported absence per summer term; see [link](#) for full list of conditions and info).

If the conditions for submission of a Self-Reported Absence form are not met, then:

- b) For medical absences, submit a Student Medical Certificate (SMC) signed by a licensed medical or mental health practitioner along with a request for academic consideration to Academic Counselling in the student's home Faculty (see [link](#) for full info) ; or
- c) For non-medical absences (e.g., religious or compassionate), submit appropriate documentation to Academic Counselling in the student's home Faculty (see [link](#) for full info).

It is strongly recommended that students notify their instructors as soon as possible. University policy is that students **must** communicate with their instructors no later than **24 hours** after the end of the period covered by either the self-reported absence or SMC, or immediately upon their return following a documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment to meet (virtually) with their instructor as soon as possible. If the instructor is not available, send an email message, copying the Undergraduate Coordinator at econugrd@uwo.ca.

Note: Academic consideration is not normally intended for long-term, recurring absences, an existing disability, or high levels of stress related to academic performance. In such cases, students should consult their academic counsellor. See [link](#) for full information. In all cases, if the documentation submitted to request academic consideration is not acceptable, students will receive a grade of zero for the missed test, exam, or assignment.

For full information about Western University’s policies and procedures for student absences and requests for academic consideration, please visit this [link](#).

Policies Regarding Academic Accommodation

The Faculty of Social Science’s policies regarding academic accommodation is found at http://counselling.ssc.uwo.ca/procedures/having_problems/index.html.

“Academic Rights and Responsibilities” are also outlined in the Western Calendar at <http://westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&command=showCategory&SelectedCalendar=Live&ArchiveID=>. 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 the instructor deems a student’s class attendance as unsatisfactory, that student may be prohibited from writing the final examination. If there is intent to make use of this University policy, the student will be notified in writing.

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.