

INTERMEDIATE MACROECONOMIC THEORY AND POLICY II

ECONOMICS 2153B-001

Department of Economics
Western University

D. McKeon

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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: Economics 2152A/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 Description

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 and fiscal policy, employment and endogenous growth.

Learning Objectives

Students will learn the intellectual heritage of various models in macroeconomics and why or why not aspects of these models are still used.

Students will be able make sense of current events from a macroeconomic policy perspective.

Students will gain valuable analytical skills by using mathematics as a language to express ideas rather than solely as a mechanical device to calculate answers.

Students will discover what professional economists do in the course of their day to day careers.

Course Materials

The textbook for this course is Williamson, “Macroeconomics” fifth Canadian edition Addison Wesley 2018. 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 webct.uwo.ca. This site is a supplemental tool and ***should not be regarded as a substitute for lectures***. I will post some ***but not all***, the solutions to the problems we do in class. Problems that are assigned but are not taken up in class will have the answers posted. All class material is subject to examination regardless of whether it is referred to or not on the website. ***This course is not an on line course and should not be treated as such.***

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), 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%

The exams must be written on the assigned dates. No make-up exams will be given. ***If a midterm is missed due to extraordinary circumstances, which must be supported by verifiable official documentation, the marks from the missed exam will be redistributed.*** These criteria will be strictly adhered to by the instructor. Missed tests that do not meet the above criteria will be given a grade of zero.

Exam Dates

Midterm I Feb 7
Midterm II..... Mar 14

Problems

There are no problem sets that are you must hand in for marks. However, I do problems in class **and assign problems from time to time**. You are advised to do the problems and, more importantly, understand the meaning of the results and relevance of the problem solving process. Often, but not necessarily, exam questions are based on these examples.

Course Outline

Review of the intertemporal model with money*Chapter 12
Market clearing models of the business cycle*.....Chapter 13
New Keynesian economics*.....Chapter 14
International trade * Chapter 15
Money in the Open economy* Chapter 16
Monetary Policy *..... Chapter 17 and 18
Fiscal Policy*..... Class notes
Unemployment* Chapter 6
Growth*.....Chapters 7.8 and extra notes
Macroeconomics and Financial markets*.....notes (if time allows)

Additional topics may be taken up, if time allows.

*** Some material is given in class that does not appear in the text. This material may appear on exams.**

Please Note. The above is a tentative course outline. I may amend the order and/ or content of the material as the course progresses. **Students are responsible for keeping abreast of course developments at all times. All changes are announced in class.**

Please Note

Department Policies for 2018-2019

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:

Deadline to add a second term half course:

Tuesday January 15, 2019

Deadline to drop a second term half course:

Thursday March 7, 2019

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 Regarding Makeup Tests and Final Examinations

*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.*

Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or having their value reweighted on a retroactive basis, 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, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**

Students who seek a makeup exam must also provide supporting medical or other relevant documentation that their absence from a scheduled test or exam is beyond their control. Documentation should be submitted to the Academic Counselling Office of the student's *home* Faculty **as soon as possible (preferably within 24 hours of the scheduled test)**. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. If the documentation submitted is not acceptable, students will receive a zero for the missed test.

For personal illness, 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. The off-campus medical certificate form must also 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 religious or compassionate circumstances, students should ask their Academic Counsellor what documentation to provide. If documentation is judged sufficient, the Academic Counsellor will issue a Recommendation for a Special Examination (a single form for midterms or a triple-color form for final exams). Once students have this form, they must contact their instructor as soon as possible to make arrangements. Even if approved by their Academic Counsellor, there is no guarantee that students will be allowed to write the makeup test/exam.

For final examinations, students need to seek permission from their *home* Faculty Counsellor, Instructor, and the Department Undergraduate Director. Failure to follow this procedure may result in a grade of zero. Students 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 Counselling Office for approval without delay. If approved, makeup examinations will be written within one month of the end of the exam period.

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.